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ABSTRACT

This document reports the oral and written testimony of congressional representatives, officers of the branches of the active and reserve armed services, and college veterans' affairs officials on changes that need to be made to veterans' benefits. The testimony was given at a July 1990 House of Representatives oversight hearing on the Montgomery GI Bill. During the hearing, congressional representatives complained that too many veterans and reserves have to wait months to establish their educational benefits and to get their checks to pay for their schooling. The representatives asked the military officers for suggestions for remedying the situation, and suggestions were offered for improving the system. In addition, suggestions were made for increasing veterans' and reservists' benefits as an enticement for enlistment and because of rapidly rising educational costs. (KC)

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OVERSIGHT HEARING ON THE MONTGOMERY GI BILL

ED327270

HEARING

BEFORE THE

SUBCOMMITTEE ON

EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

JULY 12, 1990

Printed for the use of the Committee on Veterans' Affairs

Serial No. 101-55

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OVERSIGHT HEARING ON THE MONTGOMERY GI BILL

Thursday, July 12, 1990

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION,
TRAINING AND EMPLOYMENT,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:30 a.m., in room 334, Cannon House Office Building, Hon. Tim Penny (chairman of the subcommittee) presiding.

Present: Representatives Penny, Patterson, Long, Geren, and Smith of New Jersey.

Also Present: Representative Montgomery.

OPENING STATEMENT OF HON. TIMOTHY J. PENNY, CHAIRMAN, SUBCOMMITTEE ON EDUCTION, TRAINING AND EMPLOYMENT

Mr. PENNY. The subcommittee will come to order.

First, I want to welcome all of you here this morning. I'm going to establish a precedent which I want every panelist to adhere to. I'm going to dispense with my written remarks and simply begin this hearing by asking that each panelist dispense with his or her written remarks as well, and simply share with us some of your thoughts—one, two, three, four different points—that you feel would facilitate the processing of GI benefits and the delivery of that first, and subsequent, benefit check to the veteran.

I have been on a number of military bases and college campuses in the last 2 years, and it is becoming evident to me that there are delays in the system, delays in getting the eligibility information from DOD to DVA, and a delay of several months in getting that first benefit check out to our veterans. I don't want to be around here next year or the year after working on casework problems from veterans who are upset with the Government because their checks aren't coming on time to pay their tuition. That's the scenario I see unfolding.

So, that's it by way of opening remarks from me. I appreciate again all of you being here and ask that this panel and subsequent panels set aside their written remarks and just get to the point of telling us what it is administratively, procedurally, budgetarily, in terms of staffing and other adjustments, that we could do to expedite the delivery of benefits to our veteran population.

With that, I would ask if Mr. Smith, our ranking member, or Mr. Montgomery, the Chairman of the full Committee, might have any opening remarks before we begin with this panel.

Mr. SMITH OF NEW JERSEY. Very briefly, I do have some opening remarks that I will make a part of the record, without objection.

I want to welcome our distinguished witnesses to the hearing today and look forward to your testimony.

[The statement of Hon. Chris Smith appears at p. 43.]

Mr. PENNY. Mr. Chairman.

OPENING STATEMENT OF HON. G.V. (SONNY) MONTGOMERY, CHAIRMAN, FULL COMMITTEE ON VETERANS AFFAIRS

Mr. MONTGOMERY. Thank you, Mr. Chairman. I want to thank you and Chris Smith for having this hearing this morning, and also I would like to welcome our witnesses here.

Let me say that I want to thank you, Tim, and also Chris Smith, and staff, for going out in the field and looking at the peacetime GI Bill to see how it's being implemented. Really, the only way that I pick up that they're not processing these checks, not processing the papers for these young men and women to be eligible for the GI Bill, is when I go out in the field one of them will say to me "I haven't gotten a check in 8 months." I will call and they get the check pretty quick after that. So it can be done. We can get their checks to them.

We would like to get that straightened out, and also, we're going to have to start looking at raising these benefits. Educational costs have really gone up more than medical costs. We find that in our veterans' hospitals, that medical costs in the private sector go up about 10 percent, and I think that's about the same for educational benefits. So we need, Mr. Chairman, to maybe start thinking about raising these benefits from the $140 a month on Guard and Reserve. As I read it right now, a lot more missions are going to be turned over to the Reserve forces and we need ways to attract these young men and women into the Guard and Reserve. I don't think $140 a month quite covers it, nor does the $300 a month for the active duty personnel.

The active duty people have really done a little better job than the Reserves as far as getting people to sign up under the peacetime GI Bill. The Reserves and National Guard tell me they're going to do a better job, and I think they will. But the actives have really carried this program and I want to put that on the record.

Thank you, Mr. Chairman.

Mr. PENNY. Thank you, Mr. Chairman. We will be looking at that question in future hearings.

I want to follow up on the chairman's remarks about making contact to speed up delivery of benefit checks. We shouldn't have to do that, and we don't want to do that. The entire purpose of this hearing is to get the glitches out of the system so that it works expeditiously and so Members of Congress are not called upon by our veteran constituents to intervene on their behalf to get a benefit check speeded along.

With that, let me welcome the first panel, the Honorable D'Wayne Gray, Chief Benefits Director, Department of Veterans

Affairs, accompanied by Grady Horton, Deputy Chief Benefits Director, and Dennis Wyant, Director of the Vocational Rehab and Education Service.

We welcome as well Kim McKernan, Principal Deputy Assistant Secretary of Defense for Force Management and Personnel, and Mr. Al Conte, Deputy Assistant Secretary for Reserve Affairs.

Let's receive your testimony in the order I introduced you. Please try to adhere to my admonition to skip your written remarks and just give us suggestions as to how we might better process eligibility and checks for these veterans.

STATEMENT OF D'WAYNE GRAY, CHIEF BENEFITS DIRECTOR, DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY GRADY HORTON, DEPUTY CHIEF BENEFITS DIRECTOR FOR PROGRAM MANAGEMENT, AND DR. DENNIS R. WYANT, DIRECTOR, VOCATIONAL REHABILITATION AND EDUCATION SERVICE, DVA

Mr. GRAY. Thank you, Mr. Chairman.

I reckon that my view, in a short time on this job, may not be as pessimistic as yours is, having seen this over a number of years. It is perhaps because what I've seen are the things that have been or are currently being done, rather than the growth from the rocky start at the beginning.

You asked specifically what can we and what should we do to get the remaining glitches out of the system. One of the things that we have just completed in the VA is getting to the four regional processing offices the additional data processing equipment that is needed for additional adjudicators, additional administrators of this program to do their work, and we are in a hiring and training phase. Getting those additional people that already have been allocated to those offices hired, trained and at work will clearly be a factor in speeding the processing of the claims.

We probably need to do a better job—and I'm not sure I know how to do it—in spreading the word and describing the system and doing training in the educational institutions around the country and, indeed, in our own organization. Training of people in the VA, in the Veterans' Benefits Administration, my part of it, has been neglected for, as far as I know, good and sufficient reasons, but nonetheless, it has been so. Getting our people better qualified to do the things they've been hired to do is high on my list of priorities, and that's something I can do and don't need to ask you for anything other than what will be in our regular budget request when it comes up.

We are working with the DOD on making the tie between the two departments as good as it can be, and better than it is, and I believe that progress is being made there. This is primarily in the determination of eligibility.

Once we have an application from a veteran whose eligibility has been determined, and who has an educational goal that has been approved, it doesn't take us long to get the actual check writing done. It takes us less time when Chairman Montgomery calls, but that's not the way he wants to do it and that's not the way we want to do it. But the glitches are in the eligibility determination

and in the liaison with the schools and the individual veterans in getting the right information into our processing offices.

I don't have an immediate quick-fix to that, but it is easy to conjure up the type of things that need to be done—more outreach, more visits, more training of both our people and assisting in training of the veterans' representatives at the various schools which our veterans attend.

I have with me the two people that you mentioned. Is there anything either of you would like to add to that preliminary statement?

[The prepared statement of D'Wayne Gray appears at p. 45.]

Mr. HORTON. I think that was well-stated.

There is one thing. I've been around the education programs for about 25 years now and I think, on balance, we have done a pretty good job in starting up a new program and getting things in line. Back in the chapter 34 heyday, when we found delays in checks, we usually found there were three elements involved: the veteran himself getting the information in, the school getting the information in, and the VA delays. Now we have a fourth element in this, which is the DOD connection in both of these programs.

I think, on balance, we're working through these We also in this case have four regional processing centers, which adds another layer of complication to it. We're working through them, and with training and outreach to the schools and to the veterans, we will succeed.

Mr. PENNY. Ms. McKernan.

STATEMENT OF KIM F. MCKERNAN, PRINCIPAL DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR FORCE MANAGEMENT AND PERSONNEL, U.S. DEPARTMENT OF DEFENSE

Ms. MCKERNAN. Thank you, Mr. Chairman.

We have several ongoing efforts to try to streamline, improve, and expedite the processing of enrollment data from the Services, to the Defense Manpower Data Center (DMDC), and then on to the Department of Veterans Affairs.

We are improving our system of tape exchanges and computer matching files to try to facilitate the processing and administration of veterans' benefits. Also, we have just completed a review of the separation data used in the automated exchange. We think this will permit us to better define the separation information and promote the highest degree of uniformity among the services for the MGIB eligibility determination process. Our goal is to ensure that the administrative errors are minimized.

I would like to mention two additional items that we are focusing on and working with the Services to emphasize. They are providing more detail on the service contracts so that the young men and women are fully aware of the benefits for which they are eligible, and ensuring more emphasis on the use of the out-briefs, so that the counselors do a good job of informing those who are leaving of these benefits.

Thank you.

[The prepared statement of Kim McKernan appears at p. 52.]

Mr. PENNY. Mr. Conte.

STATEMENT OF ALBERT V. CONTE, DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS (MANPOWER AND PERSONNEL), U.S. DEPARTMENT OF DEFENSE

Mr. CONTE. Good morning.

I guess Congressman Montgomery expressed his disappointment to a degree in the Reserve program because, one, the participation rates are lower, but it is very true that probably most of the problems reside in the Reserve area with the data. The Reserve program is a lot more complex and very difficult to administer.

A lot of positive steps have been taken. We recognize more needs to be done. The best my office can do is provide the proper directives, guidance, policy statements, and then work with the services to get them to carry that out and promulgate those directives.

We do, indeed, send memos, and policy directives to the services, encouraging and assisting them wherever possible. They have reacted. The services have taken very positive steps. The State headquarters of the National Guard, and the major Army Reserve commands have now established education service officers to administer all educational programs, including the Montgomery GI Bill.

We are working hard to improve the quality of the data. A lot of this depends on the training at the unit level. What struck me in your letter requesting this hearing was the fact reported to you that it was taking 3 to 6 months for people to get their benefits. When you look at the procedures we have in place, I just don't understand how that can happen, because we do have an expedited correction system in place. We have the policy where, in the event that a member's information is not in the automated system, the Department of Veterans Affairs has the authority to make the payment on the basis of having this Notice of Basic Eligibility available. And we have the follow-on and expedited correction system.

So, when you look at the reason for late receipt of benefits, it is clear from some of the constituent mail that you have received and forwarded to us that the people at the universities, the education specialists and the DVA officials, may sometimes be unaware of these procedures. So I think the training and the awareness, has to be emphasized a great deal more.

One of the suggestions I would make is that perhaps we have a caucus with FM&P, Reserve Affairs, and the DVA, to just sit down and brainstorm this thing to see what kind of additional procedures need to be put in place that aren't in place now. And, then talk about a joint effort to try to get some training conferences going with all of the members involved in processing this data.

[The prepared statement of Albert V. Conte appears at p. 62.]

Mr. PENNY. Mr. Gray, I know you have taken steps to speed things along in the last number of months. Are you satisfied that you will have enough staffing and training of that staff in place to meet the growing demand for GI Bill benefits? It's obvious to all of us that we're on the leading edge of a very high level of enrollment of veterans under the GI Bill. You may be working out the glitches that are evident with this current case load, but it's going to grow dramatically in the next couple of years. It might get ahead of you again.

Mr. GRAY. That's true, Mr. Chairman. I wish that I were certain and could swear to you that our estimates of the growth of the program are accurate. There are a lot of factors that make it problematic in my mind, not the least of which is the size and speed at which our active duty forces are reduced, as they almost certainly are going to be reduced, if the newspapers are accurate, over time. This, of course, creates more veterans and more time for school. It is going to increase the numbers of people who are taking advantage of this program.

Candidly, both the active duty and Reserve programs have been more popular than our early estimates. We are making the best estimates we can and we are staying in close contact with the Department of Defense trying to learn, as soon as they know, what the added numbers of veterans are going to be.

We are budgeting both in people and in benefits dollars, figures to take care of those people, of those numbers of candidates. I am confident that we are doing it as well as it can be done, Mr. Chairman. I am not confident that next year we will not find that we have underestimated or made a mistake. I would rather not answer the question that way, but that happens to be the truth.

Mr. PENNY. Do you have information on staffing levels for fiscal year 1989, fiscal year 1990, and projected staffing levels for fiscal year 1991?

Mr. GRAY. I don't have it in my head, Mr. Chairman. I would be glad to prepare it for you.

Mr. PENNY. Do either Mr. Horton or Mr. Wyant have that information handy? Do you have some approximation of what those staffing levels might be?

Mr. HORTON. No, I don't have them with me, Mr. Chairman.

Mr. PENNY. That would be very helpful to us, because I don't recall whether we approved everything that was being recommended by the Department in the appropriations bill that we approved the week before last. But I would like to know if it's—I'm sure it's trending in the right direction; I'm just not sure that we're going to be satisfactorily staffing this area, which will be tremendously critical.

Mr. GRAY. I believe that you did approve our request, Mr. Chairman. We will get those numbers to you promptly.

(The information follows:)

We estimate that about 573 FTEE were committed to processing claims for educational assistance benefits in FY 1989, of which about 31 FTEE were necessary to handle the Chapter 30 workload. We have projected that about 694 FTEE will process claims for educational assistance benefits in FY 1990 and about 613 FTEE in FY 1991. Based on current trainee projections and workload estimates, we included in these projections 179 FTEE to process the chapter 30 workload in FY 1990 and 197 FTEE in FY 1991.

Mr. PENNY. If, for example, that request isn't sufficient, do you have to come back for a supplemental, or do you have some internal authority within DVA to transfer staff on a short-term basis?

Mr. GRAY. We do have such authority, Mr. Chairman. We believe at the moment that the drawdown on the other education programs—the chapter 34 program is the chief example—is going to free up manpower ceilings that can be shifted to the appropriate

places to handle the workload of the rapidly growing chapter 30 and chapter 106 programs.

We don't think we need to ask you for any more people for 1991.

Mr. PENNY. Do you have total authority to make those staffing transfers within the Benefits Division?

Mr. GRAY. I have authority to recommend. The Secretary has the authority to make the transfers within certain limits. The Congress has a rather tight control over the movement of manpower spaces from one organization to another. I don't suspect that any of these moves that we're talking about would be large enough to trigger such a necessity for congressional approval.

Mr. PENNY. And do you have indications from the Secretary that he would be sympathetic to those transfers?

Mr. GRAY. As late as breakfast this morning, sir.

Mr. PENNY. It's an issue that he is aware of and sympathetic to?

Mr. GRAY. Yes, sir.

Mr. PENNY. What kind of delays are you experiencing in terms of getting the certification of eligibility from the Department of Defense?

Mr. GRAY. I don't know because I don't necessarily know when the process starts in the——

Mr. PENNY. It's my understanding that when the veteran tries to access benefits, if you don't have the proper documentation from DOD, you can't release those benefits. So there is an indication to our committee, and in the visits we've had around the country, that that is the initial delay, with the veteran going immediately from military service to a school and discovering that the paperwork hasn't been done in such a way that the DVA is aware of his eligibility.

Mr. GRAY. I know it had a rough startup, and I know the things that Mr. Conte mentioned about the solutions that have been begun.

Grady, do you have some finite discussion of this that would be useful to the committee?

Mr. HORTON. From our perspective, the 106 program and the chapter 30 program are slightly different. In the 106 program, the data is not in the system, for all the reasons we talk about, and we depend on the NOBE for the first 120 days.

From our perspective in the chapter 30 system, we think the data are there and are relatively accurate. Now, "relatively accurate" is a term that would allow for missing a lot of people, because we're talking about big databases. But in the chapter 30 system they've had 2 years to get the data into DMDC. It's usually there. Where we have the problems there is sometimes about a kicker or something like that. But we don't really think there's a major problem in accessing the chapter 30 system when somebody gets out of the service. If there is, I'm not aware of it.

Mr. PENNY. Would there be any value in providing additional information to veterans at time of discharge so they could present documentation directly to you and you wouldn't have to rely on some transfer of information from DOD to DVA?

Mr. HORTON. We sometimes have, in the cases where there are glitches, which, again, we think are relatively rare, information that makes us believe that the person is entitled. They have sent

their pay stubs where they made contributions to chapter 30 and they've got a DD-214, or whatever. But, the DOD system does not show their eligibility. In those kinds of cases, we have a fax system that we send back to DOD and try to square that away.

But the basic determination of eligibility in this program resides in DOD, not in the VA.

Mr. PENNY. I understand.

Mr. HORTON. We cannot act on their information alone.

Mr. GRAY. If I may chime in, sir, one of the things that I think you may be asking is would a statement on a DD-214——

Mr. PENNY. Or a separate——

Mr. GRAY (continuing). Or a separate statement that the veteran could have in hand, would that help. I hesitate to make such recommendations, having spent more time in the Department of Defense than I have in the Department of Veterans Affairs. I know that help from another department sometimes is less welcome than it might appear.

Yes, from our parochial viewpoint, that would be a useful thing. How big a problem it would be for the DOD to implement it, or if there's a better way, I wouldn't want to comment.

Mr. PENNY. Ms. McKernan.

Mr. GRAY. Is that fair, Kim?

Ms. MCKERNAN. That is definitely something that we have looked at and will look at again very seriously. We haven't made a definitive decision that we need to change the DD-214, but that is something that we'll make a point of looking at and work with the DVA.

Mr. PENNY. It just occurs to me that that might be a helpful system to implement. It does empower the veteran with the documentation that they need. Right now, even if you have a perfect system, they are subjected to clerical errors and other complications that are oftentimes very difficult to track down and clear up. If, upon discharge, the eligibility is certified in some way, either on the DD-214 or a separate form that they can carry with them, that then can become the evidence they present to their financial aid director at the campus. In turn, that document can be shared with DVA as a way of accessing eligibility and you don't have to wait for somebody to plug that information into a computer and the computer to transfer the information to some computer over at DVA. It seems to me that might give the veteran more control over the situation. So I would urge that that be given very strong consideration.

I have one last question before deferring to my committee colleagues. To what degree have you communicated with the financial aid directors at the various campuses across our country concerning the information they need to understand how to assist these veterans in accessing their benefits? That may involve brochures, highlighting for them the procedures they go through and the offices they are to contact, and seminars sponsored by the DVA. If you haven't done this, wouldn't it be beneficial in the relatively near future to have perhaps a seminar in every State where the DVA would invite, in one room, all the campuses to be there to get the appropriate information on the program?

Mr. GRAY. The answer to your latter question certainly is yes, Mr. Chairman, that that's a good way of doing it. I am not sure how much of it already has been or is being done. Let me defer to Mr. Horton.

Mr. HORTON. In following Mr. Gray's earlier statements, I want to be careful I don't say something that's not totally correct. I think we would be happy to give you, for the record, the States in which we have held these seminars. I would almost be certain that we've held them in all the States, but I don't want to give the wrong impression.

Mr. PENNY. I would like information on that.

Mr. HORTON. We'll give it to you.

(The information follows:)

We make extensive use of training seminars in an effort to ensure that school officials responsible for the processing of enrollment information for eligible students are provided with the most current information available regarding our programs. Each of our regional offices conducts at least one training seminar each year for the school officials in its jurisdiction.

For example, our St. Petersburg regional office recently hosted the fourteenth annual training conference for school officials. Attached for your information is a copy of the handout.

The Education Liaison Representatives in each of our regional offices also participate in numerous local and regional meetings conducted by the education community throughout the country. These meetings provide an excellent opportunity for both the novice school official and those with many years experience to share their questions, experiences and concerns.

With regard to the chapter 30 program, we are ensuring through VA-sponsored training that personnel responsible for handling inquiries from veterans and school officials are provided with the most complete and current information available regarding the program.

DVA/SCHOOL CONFERENCE-ABC SCHOOL

Thursday July 18, 1990

8:00am	CONFERENCE CENTER	Registration	
8:30am	DALI/JANUS ROOMS	Opening Remarks	Director's Office
8:45am		Education Benefits, What's Available (Review of all DVA education programs)	TOM MILLER Veterans Benefits Counselor (VBC)
9:45am		BREAK	
10:00am		Compliance Surveys (What they are, how we do them, what can happen)	JERRY BONANNO Edu Compliance Survey Specialist (ECSS)
10:30am		How Someone Applies (Applications and documentation of service & dependency)	JUANITA BOGGS VBC
11:15am		LUNCH	
12:45pm	DALI ROOM	How to Certify Enrollments—IHL's (Completion of VAF's 22-1999 & 1999b)	LARRY MARRS VBC
	JANNUS ROOM	How to Certify Enrollments—NCD's (Completion of VAF's 22-1999 & 1999b)	CAROL SIGNORELLI VBC
	WHITTED ROOM	Flight Training (Approval of schools, training records, Certification of training)	TOM SIGNORELLI RON WEAVER ECSS's
2:15pm		BREAK	
2:30pm	DALI/JANNUS RMS	How We Process Claims/What to Do When Things Go Wrong	CHARLES TINDER VBC
3:00pm		Tutorial Assistance/Work-Study Programs	TODD MARKIN WS/Tng Coord
3:30pm	WHITTED ROOM	How to Certify Enrollments—NCD Make Up Session	CAROL SIGNORELLI VBC
		TOURS-R-US (Tours of the DVA Regional Office)	ECSS's
		Administrative Time	

DVA/SCHOOL CONFERENCE-ABC SCHOOL—Continued

Thursday July 18, 1990

4:15pm		ADJOURN	

DVA/SCHOOL CONFERENCE-MAIN SESSION

Thursday July 19, 1990

8:00am		Registration	
8:30am	JR. BALLROOM	Opening Address	CARLOS L. RAINWATER, Director, DVARO St. Petersburg, FL. DR. DENNIS WYANT, DVACO, Director, Voc-Rehab. & Edu. Service
9:15am		Panel Discussion—The Approval Process	JOHN DAVIS (Brevard Comm Clg), BOB HANCOCK (SAA), RON WEAVER (ECSS)
9:45am		Vocational Rehabilitation	DAVE HUTTO, Asst. VR&C Officer
10:15am		BREAK (VBC's Available)	
10:45am		Update on Education Programs	RON SCOGGINS, Chief of Education Services
11:30am		LUNCH	
1:00pm	JR. BALLROOM	Vets Transitional Asst. Prog. (VTAP) & Disabled Transitional Asst. Prog. (DTAP)	BILL BRYANT, Veterans Services Officer
1:45pm		BREAK (BAFFLE RAFFLE)	
2:15pm	DALI ROOM	How We Measure for Pay (NCD)—Calculate course measurement, class/lab/shop, co-op, enrollment periods, & interval pay.	CHARLIE BROSS, ECSS BOB ENSER, Senior Adjudicator
	JANNUS ROOM	How We Measure for Pay (IHL)—Measurement, non-standard terms, SCS, independent study, open circuit TV, interval pay.	JERRY BONANNO, ECSS TOM WHITLOCK, Adj. Unit Chief
	WHITTED ROOM	How to Do Certifications (IHL)—Enrollment periods, dualenrollment, dual degrees/ majors, teacher certifications non-matriculated students, full-time schedule in last term.	TOM SIGNORELLI, ECSS FRANK FOSS, Adj. Unit Chief
3:15pm	DALI ROOM	How We Measure for Pay—NCD	
	JANNUS ROOM	How to Do Certifications—IHL	
	WHITTED ROOM	How We Measure for Pay—IHL	
4:15pm		ADJORN	

DVA/SCHOOL CONFERENCE-MAIN SESSION

Friday July 20, 1990

8:15am	DALI ROOM	Progress (NCD) Standards of progress, unsatisfactory progress, non-punitive grades, mitigating circumstances	RON WEAVER, ECSS FRANK FOSS, Adj. Unit Chief
	JANNUS ROOM	Progress & Pay (IHL) SOP's, unsatisfactory progress, non-punitive grades, mitigating circumstances, remedial courses	CHARLIE BROSS, ECSS BILL MOLDENHAUER, Senior Adjudicator
	WHITTED ROOM	Prior Training (IHL) Review & certification of CFPT, changes of program, repeat of courses	TOM SIGNORELLI, ECSS BOB ENSER, Senior Adjudicator
9:00am	JANNUS ROOM	Prior Training (IHL)	
	WHITTED ROOM	Progress (IHL)	
		TOURS-R-US	ECSS's

DVA/SCHOOL CONFERENCE-MAIN SESSION—Continued

Friday July 20, 1990

9:45am	BREAK (BAFFLE RAFFLE)	
10:15am JR BALLROOM	Chapter 30 Processing	DVARO ATLANTA, GA PENNY BUTLER, Senior Adjudicator RAFAEL DICRISTINA, Education Liaison Rep
11:00am	Overpayments/Debt Collection	DAVID ROBINSON Finance Division, Chief of Operations BARBARA GLENN Program Analyst
11:30am	QUESTIONS & ANSWERS Final BAFFLE RAFFLE (if needed)	
Noon	ADJOURN	

Mr. PENNY. I'm aware that you don't always get complete participation in these seminars, but I will bet that in the next year, as the financial aid directors become more aware of the number of veterans that are going to be arriving at their door, you're going to have more interest in those seminars. It might not be a bad idea to have a second or even a third round of those seminars in each State, to make sure that these financial aid directors are fully aware of how to handle these requests and which offices in their region of the country they ought to be working with in order to speed things along.

Mr. PENNY. With that, I will call on our ranking member, Mr. Smith.

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Chairman.

I would like to follow up briefly on the chairman's idea about having some kind of certificate or documentation at the point of discharge.

I note, Ms. McKernan, on page 6 you point out that a system is in place that enables individuals, with the proper documentation, to go to a DVA regional office and have claims processed immediately. Could you explain what that system is?

Ms. MCKERNAN. Certainly. There is a certificate of release or discharge from active duty, referred to as the DD-214. This is the certificate that an individual can take to the DVA. We have the piece of paper and also the automated system. The military personnel offices send the automated tapes to the DMDC, and there the separation codes and other information are put into the MGIB data file. Then the automated information is forwarded to the DVA. That is a fairly timely process that can take as much as 60 days, but it can also take less. This is on the Active duty side.

An individual can take that form to the Department of Veterans Affairs, and if DVA has the information in their MGIB file, the eligibility determination can be made at that point.

Mr. SMITH OF NEW JERSEY. Would it be that difficult to provide this extra information at point of discharge, so that the veteran has in his or her hand what is needed to expedite this, so that these delays we're hearing about can be——

Ms. MCKERNAN. I don't believe it would be, sir, and we would be more than happy to follow up on that very point and get back to you with more detail.

Mr. SMITH OF NEW JERSEY. I think we would all appreciate that.
Ms. MCKERNAN. Certainly.
(The information follows:)

MONTGOMERY GI BILL

It is not difficult to provide additional information about MGIB benefits to Service members who are being discharged. The Department of Defense Form 2366 (Montgomery GI Bill Individual Personnel Data) is currently part of the Service member's personnel record. The DD 2366 states if the member is participating in the MGIB, the term of enlistment, and if he or she is enrolled in the Army or Navy College Fund. A copy of DD Form 2366 will be provided to Service members upon discharge to provide them with a record of information pertaining to their benefit eligibility. Attached you will find a copy of the DD Form 2366.

(See p. 60.)

Mr. SMITH OF NEW JERSEY. Ms. McKernan—and perhaps Mr. Conte or Mr. Gray might want to comment on this—could you tell us what the error rate is in the information transferred from the Department of Defense to the VA?

Ms. MCKERNAN. I don't have that figure, but I would be happy to get back to you with that. Someone else here might know.

(The information follows:)

DMDC makes every effort to minimize errors in its files; however, it must rely on the data submissions received from the Services/Components. If the member is coded in the Service/Component submission as ineligible but is, in fact, eligible, the member's record is in error. Since a financial contribution by the member is a criterion for eligibility, as is successful discharge of the military obligation, the accuracy of these records is quite good. DOD does not receive or maintain data on claim denials made in error and, while we have asked the VA to give us data on such denials, we have been informed that these statistics are not available. However, as the VA witnesses testified in the hearing, they do not perceive data errors to be significant for Chapter 30 participants.

Mr. CONTE. I don't have the data, either. Hopefully it's not too high, but we do have problems with the data in the Reserve and are working on it.

Mr. GRAY. I have nothing on that.

Mr. SMITH OF NEW JERSEY. Mr. Conte, would you provide some additional light to the committee, or some information, where you mention on page 5 the training of field personnel to collect data and to administer more properly the GI Bill. What kind of training does this entail? In looking at your testimony, you know, it is bare bones in terms of your description. If you could elaborate on that, I would appreciate it.

Mr. CONTE. Sure. Each of the Reserve components process their data and train their people differently. Some data must go through intermediate commands, up to higher level headquarters through Reserve components.

What we have been finding in inquiring into some of these things is that when a person completes their initial training and they have signed up for 6 years, they become eligible, if they also are a high school graduate. The idea is at that point, the Notice of Basic Eligibility statement is issued to the individual. Our directive says that should be done right at that point. We have been finding that sometimes that is not done and the NOBE is not issued until the individual decides they want to go to school and then come and request a NOBE.

In inquiring about that with some of the Reserve components, we find that a lot of the members at the unit level simply weren't aware that they were supposed to issue that NOBE at the time the individual is first eligible.

So, the Navy in particular, and the Army, and the other components, have instituted some training programs for the people at the unit level to school them on the exact procedures and steps that should be taken at this point in time. And, after the NOBE is issued, they are then to enter the data into the personnel data system which is then rolled up to a higher headquarters level or personnel command. A lot of times, what we see happening is that they don't do that right away, they wait until they can batch a bunch of them together and time goes by. The training is designed, and hopefully the services are implementing procedures, to get them to do it right at the time it is supposed to be done.

When you get the next panel up here, the Reserve chiefs, I'm sure they can elaborate on the details. We have not prescribed specific training actions that should be taken. We have identified the procedures that should be put in place. They are attempting to get the training in place in their individual components.

Mr. SMITH OF NEW JERSEY. Thank you. I look forward to what the chiefs might have to say on that.

You note on page 9 of your testimony that the Department of Defense has established initial procedures for the recoupment of payments from Montgomery GI Bill participants who, due to unsatisfactory participation, no longer qualify for benefits.

At what point is a reservist considered an unsatisfactory participant and at what point are those procedures being implemented?

Mr. CONTE. The DOD policy is that a member, a drilling reservist, who misses nine drills, becomes an unsatisfactory participant—nine unexcused drills. At that point in time——and they are supposed to be counseled all along during the time they're missing these drills—if there is no excuse and no excused reason for missing the nine drills, they are identified as an unsatisfactory participant and they are supposed to be transferred to the Individual Ready Reserve and separated from the Selected Reserve.

What was the second part of your question?

Mr. SMITH OF NEW JERSEY. The second part deals with how the reclaiming of that money has gone. Have we been able to recoup the money?

Mr. CONTE. We have just initiated that effort. We still do not have an agreement with the Department of Veterans Affairs as to whose responsibility this recoupment is. There has been a series of changes of people who sit in these jobs who debate this thing, which has been going on for a few years.

DOD did take the initiative a year-and-a-half ago, perhaps a year ago, to at least attempt to recoup some of these funds for unsatisfactory participation. DVA is continuing recoupment procedures for overpayments. So, there is that split as to where that area of responsibility lies. We're still not sure and we still haven't come to closure on that. That will have to be left up to the lawyers, I suppose.

Last August we did ask the Defense Manpower Data Center to identify any member who has been coded in the system as an un-

satisfactory participant. They applied a formula as prescribed in the law that says—I don't have the details of that formula, but it's the amount of money they've been paid, times the amount of months of their obligation that they fulfilled, and a pro rata amount is identified. That information has been pulled out and sent to each of the services and we have asked them to start recoupment procedures.

To date, the Navy has actually sent out a letter and attempted some recoupment from several members, and the success has been spotty. But at least they have started that process.

Mr. SMITH OF NEW JERSEY. Thank you.

Mr. Gray, is the VA equipped to implement electronic certification in optical scanning systems at the regional processing centers?

Mr. GRAY. Not at this moment, but in our ADP modernization scheme, which we've been on for several years and has a number of years to run, during fiscal 1992 we will be letting RFP's for the optical disk system to be used. This is multiprogram use, not just education, but across the board and, where usable, in all our regional offices.

It's coming. I sound like a recruiting sergeant, telling you how good things are going to be. But we think they are going to improve with that service.

Mr. SMITH OF NEW JERSEY. Thank you.

Mr. PENNY. Mr. Chairman.

Mr. MONTGOMERY. Thank you very much, Mr. Chairman.

I understand, Mr. Conte, where some of the problems are coming from in the National Guard and Reserve, where you have thousands of individual units, technicians and AGR's, that gather up this data and have to send it in. I could see where there would be more problems in the Reserve forces than there would be in the active forces; is that correct?

Mr. CONTE. That is correct. And what complicates it even further is the Reserve program is different in that the member can start using their benefits before they have completed the requirement to be fully eligible for that benefit. All they need to do is complete their initial training and then they can start drawing their benefits. So, it's very important that we have the data to track whether they're participating on a regular basis, and are still entitled to those benefits. So, it's a further complication that you don't have on the active side.

Mr. MONTGOMERY. For some reason, you had a Central Office that was processing these applications, Dr. Wyant, in Indiana, and then you broke it down, as I understand it, and then you didn't get space around the country to set up other offices to process these applications. That caused you some problems, too, didn't it, Mr. Gray?

Mr. GRAY. My knowledge of history is deficient. Let me turn to—Mr. Chairman, are you talking about the establishment of four regional processing offices?

Mr. MONTGOMERY. Right.

Mr. GRAY. Yes. We originally, as you know, handled the chapter 30 processing all from our St. Louis Regional Office. The popularity of the Montgomery GI Bill program grew faster than our intelligence allowed for us to prepare for it and it soon outstripped St.

Louis' capability to handle it. We created three additional regional processing offices, one in Buffalo, one in Muskogee, OK, and one in Atlanta. Those are the four now that process the chapter 30 portion of the Montgomery GI Bill.

The chapter 106 processing is done at each regional office around the country, as was the chapter 34 benefits program prior.

Mr. MONTGOMERY. But that did cause you some problems, didn't it?

Mr. GRAY. It did.

Mr. MONTGOMERY. Dr. Wyant, it's your program.

Dr. WYANT. There were actually two or three items that one would have to look at. One is, we were using an optical disk system that was a research prototype system. There was no way within our procurement system to expand that. That was one thing to consider. The St. Louis Regional Office would also have had to go completely outside of the regional office for additional space and relocate. That was one of the cost considerations, among others.

Of course, as we have heard here on some of the issues, our processing time takes a little longer in those peak periods, January through February, or September and October. By going to more than one office, it gave us the flexibility to work those peak periods with additional staff from other offices. So those were all considerations that went into the decision for three additional offices.

Mr. MONTGOMERY. Do you need any more offices?

Dr. WYANT. At this moment we're ready for the fall enrollment with the regional processing offices we have.

Mr. MONTGOMERY. I have a report that on June 18, 1990, cases pending were 20,028. Isn't that a lot? Between 15,000 to 20,000 cases have taken over 30 or 60 days to process.

Mr. GRAY. The statistic of the number of cases pending, Mr. Chairman, is less important to me than is the length of time it takes a case to go through the process.

I am told that the ordinary case, the one where all trained and prepared people do each part of it, does not rest more than a couple of weeks in a processing office—a pending file and a waiting term. It's the extraordinary ones, where either we, the veteran, or the school or the service, any of the other players, has failed somewhere to do the right thing. Then those can take as long as it takes to develop the proper information.

Is 20,000 too many cases to have pending? Not necessarily. But the question of do we need more regional processing offices is an open one with me, and it is being looked at. I will know more before very long. I wouldn't want to say yes right now, Mr. Chairman. But it is under active consideration.

Mr. MONTGOMERY. General Gray, and also my colleagues, Congress is bad about adding new programs. I know we do it with our veterans, and we do it in the Defense Department. I know that takes personnel and money away from your different departments, where you would like to move on some of the regular programs. I understand that. I guess what I'm saying is we're in this deficit crunch, both on this committee and over on the Armed Services Committee and other committees, where we have to be very careful not to add new programs to the different departments until we can

get the areas we're talking about today straightened out. I know part of it is our fault.

I was out in Massachusetts looking at a VA hospital. They said yes, we got some additional money on the supplemental that you passed several months ago, but they had to take that money and start new programs. So we really didn't help the medical patients and help the veterans that we wanted to. I realize part of that fault is ours.

Let me just close, Mr. Chairman, by saying most Presidents of the United States really don't have good days as a president. I mean, they have one headache after another. But when we had our GI Bill celebration, in which over one million young Americans have signed up for the program, we got reports back from the White House that that was a good day for the President. He thoroughly enjoyed it. I think a number of people in this audience today were there, and everyone had a wonderful time. It was a program that worked. The President just plunged into the crowd and stayed there for another five or 6 minutes.

So I want to thank those here, Mr. Chairman, for being a part of that celebration. It went well.

Mr. PENNY. Thank you.

Mrs. Patterson.

Mrs. PATTERSON. Thank you, Mr. Chairman.

Forgive me for arriving a little bit late. I'm sorry I didn't get to hear the testimony, but I have read over it. There is one question that I had before I arrived here this morning that was brought to me last night by a person who heard that I served on this subcommittee. I noticed, Kim, in your testimony, on page 6, you allude to it, and I believe it's covered maybe in Mr. Conte's statement also.

As we talk about the cuts that will be made in defense, if we are planning for the large influx of men and women who will now turn to educational benefits, I am concerned if we're making any projections about how that might affect the program, how many more will be participating, what the budgetary effects will be. As we talk about cuts in defense, the thing that comes to my mind most often is what do we do with these men and women that will be discharged from the service. To me, education will be a key.

Is the Department of Defense or the DVA making any projections of how many might be turning to educational benefits and what the price tag might be?

Ms. MCKERNAN. Yes, Congresswoman Patterson. I don't have any specific projections to share with you right now, but this is something that we're focusing on very carefully right now. In fact, Force Management and Personnel just set up a separate directorate to address transition assistance management throughout the Department, and one of the key elements of that is the educational benefits, the Montgomery GI Bill educational benefits as a readjustment benefit for those that will be leaving.

Information on the MGIB is now included in the out-brief that is given to the men and women who leave. We are working with the Services to re-emphasize that that needs to be done even more than ever.

We have a pilot program right now with the DVA and with the Labor Department, the Transition Assistance Program, referred to

as TAP. It includes three-day workshops and does job counseling and many other things. Within that program, we stress and talk about the Montgomery GI Bill and the educational benefits that servicemen and women should take advantage of when they're leaving. The MGIB is definitely on the forefront of our transition management planning right now.

Mrs. PATTERSON. I know it's very difficult to make estimates of numbers and dollars, but it's interesting that, in just my small visits around and calls that I'm getting to my office, it's amazing how many people who are now serving and who are frightened by involuntary separation. They say they have planned to make the military their career, but if they are separated, they're going to need some assistance, vocational training or whatever. I think right now there are so many of our men and women that are now serving who are really nervous about what's to come. Any way we can help them along those lines I think is extremely important.

Mr. MONTGOMERY. Would the gentlelady yield?

Mrs. PATTERSON. Yes.

Mr. MONTGOMERY. I plan in the next week to introduce a separation bill. Ms. Bryon has already introduced one. My legislation I think will be very satisfactory to the individual who leaves the service. It will cover educational benefits, it will cover separation pay, and it will cover trying to find jobs, advising these people how to get jobs after they get out of the service. I think you would be pleased to know that we are watching that. In my opinion, we're not just going to throw them out and not have something that would be worthwhile.

Mrs. PATTERSON. I appreciate that, Mr. Chairman. That sounds like it's something I would like.

The reason this is so interesting to me is because I live in a textile community, and when the textile mills closed, we needed job retraining. In the Omnibus Trade Bill, we had sections in there for that. It hasn't been done like we put in the legislation and it bothers me. We have to be able to move towards relocating these people, retraining them or whatever with their planned profession. I certainly appreciate your leadership on that and will look forward to that legislation.

Mr. Chairman, that's all the questions I have at this time.

Mr. PENNY. Mr. Geren.

Mr. GEREN. I have no questions or comments, Mr. Chairman.

Mr. PENNY. I have one last comment for the panel. It occurred to me that we could help the Department of Veterans Affairs along in terms of better informing and educating our financial aid directors regarding the program and how to expedite benefit payments to their veteran students.

I'm going to urge each member of this committee, which would cover about 25 States, to sponsor, between now and perhaps the end of January, a statewide conference which, of course, you would all attend. We would have people from both the Department of Defense and the Department of Veterans Affairs participate with us, so that we could share the appropriate information and speed along this process of assuring that the educational institution officials are fully informed of the procedures they have to follow in order to access benefits for the students.

That way we don't have to wait until you figure out whether you have enough money to hold additional seminars. We could probably help you get about half the States covered in a relatively short period of time if our membership here would simply make it a priority to sponsor a seminar with your participation.

Mr. GRAY. You hire a hall and call us. We'll be there, Mr. Chairman.

Mr. PENNY. All right. I appreciate that.

With that, I thank this panel for their presentations. I ask unanimous consent that any written questions be allowed to be submitted and that those questions and responses be printed in the committee record.

Thank you for your help this morning.

Ms. MCKERNAN. Thank you, Mr. Chairman.

Mr. GRAY. Could I add one postscript, Mr. Chairman?

Mr. PENNY. Yes, sir.

Mr. GRAY. As you know, as all of us know, children are not always worthy of their parentage. We found that this bill is a worthy successor to what may be the most successful social legislation that the country has ever seen—the Servicemen's Readjustment Act of 1944. It does honor both to its legislative heritage and your Committee Chairman and our Committee Chairman, whose name it carries. We want to make this thing work, sir. There are glitches in it, but it's going to work, and it's going to work for the benefit of these people who are coming out of the service now and those who have served before.

Mr. PENNY. We thank you for your statement. Certainly that is our intent as well, that the program will, in the years ahead, carry the same reputation and regard that the initial GI Bill carried, and that it do justice to its sponsor's name, Mr. Montgomery. Thank you.

Our next panel includes the active military personnel staff. Lt. Gen. Allen Ono, Deputy Chief of Staff for Personnel, U.S. Army; Vice Admiral Jeremy M. Boorda, Deputy Chief of Naval Operations for Manpower, Personnel and Training, U.S. Navy; Maj. Gen. Larry Dillingham, Assistant Deputy Chief of Staff for Personnel, U.S. Air Force; Lt. Gen. Norman Smith, Deputy Chief of Staff for Manpower, U.S. Marine Corps; and Capt. Kent Ballantyne, Deputy Chief for Training, U.S. Coast Guard.

I ask each of you to make your presentations in the order I have introduced you, and to adhere to the procedure followed by the initial panel, which is to set aside your written remarks—they will appear as written in our committee record—and simply share with us any observations you might have about the better processing of the GI Bill eligibility from the standpoint of each of the armed services.

General Ono, I'm told this might be your last appearance before our committee prior to your retirement. Is that true?

General ONO. This is it.

Mr. PENNY. We're sorry to see you leave.

General ONO. But I can't think of a higher note than to be at a hearing where the GI Bill is going to be the center focus. This is an extraordinary bill, as I think you know.

Mr. PENNY. We begin with you and ask that you highlight for us any observations you might have.

STATEMENT OF LT. GEN. ALLEN K. ONO, DEPUTY CHIEF OF STAFF FOR PERSONNEL, U.S. ARMY

General ONO. Thank you, Mr. Chairman.

I spoke with the Army official in charge of determining and controlling the eligibility requirements within the Army, and this is what she told me—that we're not bad off, as bad as we think. We get about a hundred requests per month, Mr. Chairman, on questions regarding eligibility. It takes about 5 to 10 days to process them and to get them into the Defense Manpower Data Center.

I asked her then what could be done to facilitate it, and these are the things she told me. First, keep it simple and keep it consistent. I'm talking now about the rules of administration. Because if you have too many exceptions, too many different ways in which we count things, then we go out of control.

Second, she says the use of one single official file, which is the DMDC database, is the correct way to go. It then forces everyone to consult it, which means the Department of Defense, the Army, the Department of Veterans Affairs, the schools, all have to go to that one base to get the information. You have only one official way then in which you determine eligibility. That is the correct way to go.

Third, she says that she needs some feedback. If there is any delay, and we in the Army are the ones who caused it, we would like to know. We would like to know who did it, who the individual is, so we can track down perhaps that installation or Army post, or perhaps down to that clerk, who is making some entry that may be improper. So the feedback mechanism is important to us.

Fourth, to continue what we have been insisting on within the Army, which is to counsel discharging soldiers about 6 months before they leave. In this fashion, Mr. Chairman, what we're describing is education counselors sitting down with the soldiers themselves, consulting the DMDC database, and finding out whether the entries are correct, and if it's not, then the corrections are made right then and there. So these are the things that need to be done.

I know what you want. You want it to work. You want the payments to be prompt and at the same time I know you want safeguards so that the benefits go to only those who are eligible. There are things that we have to do to make sure it does operate correctly, such as checking whether the individual, in fact, did participate or not in regard to the pay reduction; how long the individual served. That is an important question because that, in turn, determines the amount of payment. Just as important is the character of the discharge. So, all these things are determined within the system.

We continue to improve. I think you will be pleased, Mr. Chairman, that we have a plan in order to improve it, and I think it will work.

[The prepared statement of General Ono appears at p. 81.]

Mr. PENNY. Thank you.

Admiral Boorda.

STATEMENT OF VICE ADMIRAL J. M. BOORDA, U.S. NAVY, CHIEF OF NAVAL PERSONNEL/DEPUTY CHIEF OF NAVAL OPERATIONS FOR MANPOWER, PERSONNEL AND TRAINING, U.S. NAVY

Admiral BOORDA. Thank you, sir.

As one who received his college education on the Korean War GI Bill, I know I needed the money on the first day. I couldn't wait until the second day. We had four little kids and they were all hungry while I was going to school.

I think there are pieces to this, and I [illegible] you're pretty much going to hear the same from all of us, beca[illegible]e all play the same role in the system. First, how do we de[illegible]h people who are having a problem right now, because we're [illegible] of that. I have a relatively small staff who works real hard—they're all here and they didn't fill up the room. They have established a 24-hour turnaround system on any requests they get for information, where we need to reconcile something for someone who is already out. On Monday, their backlog was a little bit less than 180 cases, and with a 24-hour turnaround, they're doing a good job.

Their work is caused because, when this law was passed, we really didn't have the resources or the foresight to do it right in the first place. That leads me to my second point: What about the people who are on active duty today? While we're reconciling cases for people who are already out, where we already have not got the right match between the VA automated system and DMDC, what are we doing about the people today who haven't gotten out yet, who we can still rectify this for, so that they don't have a problem at all?

I believe that we have a reasonable system that will work for everyone who came on active duty in the Navy within the last 18 months to 2 years. We've got a feedback loop, we're getting the information to DMDC, and we know how to check it. So we will solve it for those people before they get out. That's the best way to solve the problem.

For most of the people who are in the Montgomery GI Bill who are still on active duty—and a large portion of them signed up and paid their money before we made our changes of 18 months to 2 years ago—we're in the process of reconciling those accounts before the people leave the Navy. I think that's very important. Mostly, that is through good computer programs and our computer talking to DMDC's computer.

We then have to go back and extend our work to reconcile the records of those who got out, who perhaps have not yet asked for benefits. That's a lot harder nut to crack and I wish I had an answer for you on that one, but I think that's a very expensive thing to do—and I think you may have given us one of the answers. I think seminars like you talked about, doing more work out in the real world where those people are, where we get interested people who come in and ask the question before they need the money, is a good way to go about doing that. I would be happy to participate in that. I think that's a super idea.

Education of people as they get out is something that we can all effect. On the 29th of May we issued a Navy instruction—that sounds kind of bureaucratic, but it wasn't in bureaucratic terms. It's a very thick piece of paper, it's most of this book in front of me, and it explains each part of not only the Montgomery GI Bill but VEEP and all the other things people might be eligible for in an educational way and in terms that the person who's getting the discharge and the clerk who is processing that discharge can understand. So while it looks big, you only have to turn to the page that pertains to you, if you can figure that out—and it helps you do that—and they will know at least how to ask the questions when they get to the educational institution and start trying to draw their benefits. I think that's a good way to do it.

Finally, I like the idea of some sort of a certificate, of some sort of a way that the veteran himself or herself could have something in their hand to take and show to the educational institution and get the ball rolling with some clear definition of what they're eligible for. I think we have to do more work between you, us, and the VA to make that happen because of the opportunities for error, for fraud, for all kinds of things. But I think that's a good avenue to pursue as well.

Thank you.

[The prepared statement of Admiral Boorda appears at p. 84.]

Mr. PENNY. Thank you.

General Dillingham.

STATEMENT OF MAJ. GEN. LARRY D. DILLINGHAM, ASSISTANT DEPUTY CHIEF OF STAFF FOR PERSONNEL, HEADQUARTERS, U.S. AIR FORCE

General DILLINGHAM. On behalf of my boss, Lt. Gen. Hickey, I would like to thank the committee for the opportunity to have an Air Force representative here.

The Montgomery GI Bill has been a tremendous success in the Air Force. As many of you on the committee know, the Air Force had a slow start in this particular area. Back in the 1985–86 time frame, of course, we only had 47 percent participation, while the current fiscal year that we're now in, we are up to almost 77 percent. So that is a significant increase.

We are also proud of the fact that when we opened up the window for the "open season" 6 months period, the Air Force picked up over 10,000 additional participants. That was about 14 percent of the total eligible, and over half of the total of the other services, or the total for OSD.

In trying to come up with a way to improve the system, I basically support General Ono and Admiral Boorda's comments. I applaud the getting out in the field type approach to find out what is really happening. It doesn't do us service to focus on the best case or the worst case but for the majority of the cases. That's where we need to put most of our efforts to improve the system.

We also would support some sort of form, or possibly the DD–214, to record GI Bill eligibility, as we previously did with the VEAP in prior times.

Other than continuing the extensive counseling that we do, from the time the recruiter starts, in the MEPS station that continues the counseling, and it's done again, of course, at the recruit training center, the individual is given every opportunity to be informed of the benefits of the program. The VA provides pamphlets. We now in OSD are providing a pamphlet. The individual is, I think, encouraged to participate.

The Air Force may not feel quite as strong as the Army on the recruiting benefits, although I might add the survey we did at our basic military training program reflected over 38 percent of the people listed "continuing their education" as the primary reason for joining the Air Force. The second most important reason was 32.2 percent, 20 percent indicated that continuing education was the third reason. So, the top three most important answers all scored education exceedingly high in the reasons for entering; about 91 percent. But the Air Force feels, as a retention effort, the GI Bill is also important now, and with the forthcoming reductions that we are going to have to take, it should be part of the transition program. We are very pleased to hear Chairman Montgomery's comments about the transition proposal he's going to submit along with other Congressmen.

Sir, that's all the comments I have.

[The prepared statement of General Dillingham appears at p. 87.]

Mr. PENNY. Thank you.

General Smith.

STATEMENT OF LT. GEN. NORMAN H. SMITH, DEPUTY CHIEF OF STAFF FOR MANPOWER AND RESERVE AFFAIRS, U.S. MARINE CORPS

General NORMAN SMITH. Thank you, Mr. Chairman. The Marine Corps certainly thanks you and your subcommittee and, obviously, Congressman Montgomery, for the tremendous work you all have done in establishing this super program. All I can do here is echo my colleagues with what they said concerning the enhancement of the automated data processing and the continual refinement that we have to have for making this process work.

One of my staff officers mentioned to me that one of the finest tools we've been using in the Corps, keeping in mind we're a lot smaller than the other services, is something that's been around for a long time—a telephone. When there's a question from the regional offices, or from the Department of Veterans Affairs, they dial a seven-digit number and get into my action officer, and he is able to resolve these questions, which have only been, in the Marine Corps, the last 5 months, just to give you a quick snapshot, 232 cases. He solves those within a matter of 24 hours.

The worst case of the 232 is 2 weeks. Granted that isn't perfect, but it isn't too bad, either. So we're constantly looking for ways to refine this stuff and figure out how we can do it all better for the enhancement of the program. I support everything my colleagues have said here this morning. I thank you, sir.

[The prepared statement of General Smith appears at p. 90.]

Mr. PENNY. Thank you.

Captain Ballantyne.

STATEMENT OF CAPT. KENT M. BALLANTYNE, DEPUTY CHIEF FOR TRAINING, OFFICE OF PERSONNEL AND TRAINING, U.S. COAST GUARD

Captain BALLANTYNE. Good morning, Mr. Chairman, members of the subcommittee. I would like to thank you for having the Coast Guard participate as well.

We feel that the MGIB is a very positive part of our recruiting effort. I can tell you personally that it has name recognition in the high schools, which is an area we're looking at. I think it's a bona fide benefit earned and deserved, given to the people who serve well and are leaving the Coast Guard at whatever time they choose.

We are a small organization and our sample of people who are now starting to use it is very small, so I really don't have any numbers that I can quantify that would be worth doing. Our enlistments are predominantly 4-year enlistments. With the bill being 5 years old, the numbers of people who are actually eligible are extremely small. When we have people who have problems, they're in one's and two's. I have a staff member in my own office who deals with that.

The turnarounds are very quick. The elements of eligibility are pretty straightforward, so you don't have to search a lot of elaborate files to get them. So that works pretty well.

Our enrollment now is 97 percent of people coming in at the accession point, so I think that gives you an idea of how the people view it, both through the recruiting literature, the information given to them before they get to boot camp, and then at boot camp. It also indicates, I think, the interest that people have in it.

We are in the process of refining our implementing instructions that direct different parts of our organization to process the various steps. We are in the learning curve, and what we are putting together now represents our experiences that we've had in the recent past.

The Coast Guard supports the initiatives that have been mentioned here this morning as a way to further refine and improve the process.

That's all I have. Thank you.

[The prepared statement of Captain Ballantyne appears at p. 96.]

Mr. PENNY. Thank you, and thank you all for your testimony.

I am pleased with the high level of intent on the part of all the branches of the military to further refine your procedures and to keep this program working properly. I am also appreciative of your endorsement of the idea of adding GI Bill eligibility information to the DD-214, or some other discharge paper, so that we give the veteran a clearer documentation of his eligibility, and also some ability on the part of the veteran to document and to prove that eligibility when they go to college and, in turn, contact the DVA for benefits.

I assume, though, that that kind of discharge information is something that can be handled by directive within the Department of Defense. We're not looking at a legislative requirement here. If

that is the case, I would restate my remarks to Ms. McKernan, that that be something given very high priority and done in the relatively near future. If it isn't done, and it becomes evident that you need to be directed to do that, I think it would just a matter of days for this committee to process that kind of legislation. I believe, although, it's an administrative matter that could be done relatively soon if the Department of Defense were of a mind to do so.

Admiral BOORDA. It's a really simple thing to do. In the case of people who have paid some time ago, we're like the Coast Guard and, I think, most of the services. Most of the people who have signed up for the Montgomery GI Bill are still on active duty. It started in 1985, and our enlistments are 4 years and longer. We have about a 40 percent reenlistment rate. So that tells you very quickly that most of the people are still here. So we have to go back and capture some information, and that's doable and that's what we're working on now.

The real issue is not whether we would issue a piece of paper or put it on a DD–214. That's a piece of cake and we all have the authority to do that ourselves. Is that useful in determining whether or not the person is going to get any money? Right now, we don't have the statutory authority to stamp a person eligible to actually get the money. We're an information provider and then VA does that. That's the way the law is written. So it isn't a question of us needing to be told to do a form. That's a piece of cake. It is, rather, what happens with the form after we do it.

Mr. PENNY. So we may need some legislative clarification, that if the military provides that type of information to the veteran, that the DVA could consider that documentation sufficient to process the initial check?

Admiral BOORDA. Maybe one of my peers here is an expert on it, I don't pretend to be, but the issue as to what they do with the paper——

Mr. PENNY. I think it's one of several options we have considered in the meetings we've held around the country. I guess we will have to further debate among ourselves and with the Department of Veterans Affairs whether that is an appropriate approach. But if it does require some legislative directive to DVA to honor that kind of documentation, then once you've done it, we would certainly consider the legislation and give the Department of Veterans Affairs that authority.

General ONO. I would ask that you allow us in the Department of Defense to comment, maybe separately to you. What we're talking about perhaps is a form that needs to be controlled. I'm now talking about the cost of administration.

What it really comes down to, Mr. Chairman, is it becomes the DMDC database. This is the file that has to be updated, and this is the official file that determines eligibility. You can give the individual a piece of paper, and perhaps it needs to be controlled because it could be forged or something along that line. So with all the cautions that I'm referring to, perhaps what needs to be done is a study on this. I'm sure the Department will be coming back to you.

Mr. PENNY. As was suggested by the previous panel, it is my understanding they will initiate some type of interdepartmental discussion group to pursue this and other questions.

If we were to legislatively give the DVA authority to use that discharge paper as evidence of eligibility, what we would certainly do is allow a second check. DVA could process the initial payment, but the payment could stop if that second channel of exchange from the DOD to the DVA demonstrated that the discharge paper was faulty or forged. Then, of course, we've got a bit of a dilemma to collect any initial payment that was made. But in most cases, we wouldn't be talking about more than one or two payments, I wouldn't think. I don't think you're going to find enough fraud and abuse in the system that it would be a major problem for us to collect against those who would be misusing or forging that form. But I do understand that's something we have to be alert to and to protect against.

In terms of counseling, we directed each of the branches to conduct this kind of counseling before discharge. We did hear some testimony around the country from servicemen who didn't feel they got sufficient counseling. What kind of priority are you placing on that, how soon are you beginning that counseling, what's entailed, how much of a discussion does that involve, is it a group setting, is it one-on-one? If each of you can share with us quickly how that's handled with your personnel.

General ONO. In the Army's case, Mr. Chairman, we do it 6 months in advance. It is one-on-one. We have the counselor enter the DMDC database to see what the record looks like. If the individual says he is a Montgomery GI Bill participant and the DMDC database shows that he or she is not, then the correction is made at that time.

Six months in advance, there is a lot of discussion as to what they're going to major in, and also what schools they may be interested in. The Army has a high participation rate and we've been in this business for a long time, and we consider it to be very important.

Mr. PENNY. You use that as an opportunity to verify their application.

General ONO. Absolutely. It's an essential part of cleaning up the database.

Mr. PENNY. And also to alert them again of the kind of benefit levels that will be available to them upon discharge?

General ONO. Yes, the expectation of the amounts of money they can expect and how to process their papers once they get into school.

Mr. PENNY. And you don't miss anybody. This is a routine within the Department of the Army.

General ONO. We hope we don't miss anyone. It's a big army.

Mr. PENNY. But it is a routine that's established for every serviceman at a point somewhere around 6 months prior to discharge, that they're scheduled for that type of counseling session?

General ONO. Yes.

Mr. PENNY. Is that the way you handle it in the Navy?

Admiral BOORDA. Yes. We're at 120 days instead of 6 months.

Mr. PENNY. So yours is 4 months prior to discharge.

Admiral BOORDA. Yes, at the 4-month point. We also have two teams, one on the East Coast and one on the West Coast that visits major fleet concentrations every month. So the 4-month is individual. Then we have pre-separation counseling by a very well-qualified team.

Finally, we have added this to our quality of life inspections that our IG does as he travels around the Navy, to make sure it's truly happening. My guess is, like every survey, if you surveyed 100 sailors, you get a certain number who say I don't remember hearing that. But we're doing our very best to cover everybody.

Mr. PENNY. Well, there are a certain number of meetings on Capitol Hill that legislators forget about, who say well, I won't forget this one, but——

Admiral BOORDA. I would have never believed it, sir.

Mr. PENNY. I know that that is something we will hear from, where you can document people were there but they don't remember a thing that was said at the time.

Admiral BOORDA. Exactly.

Mr. PENNY. How about the Marines?

General NORMAN SMITH. We start at the 6-month time limit before a Marine is expected to get out, sir.

Mr. PENNY. It's a matter of routine, where a Marine is scheduled for that kind of session?

General NORMAN SMITH. Yes, sir.

Mr. PENNY. One-on-one?

General NORMAN SMITH. Yes, sir, and in a group, too.

We also run it through our career counselors, and then we found it effective also to bring our base education centers into it, because they're really up to speed with all the benefits and with all the capabilities of all the various universities and other schools that our discharging Marines may want to go to.

We also have it a subject of routine at periodic inspections that are conducted within the administrative chain in the Marine Corps at the battalion and the squadron levels. We also have recently instituted our Marine Corps Disbursing On-Site Examination Team (MCDOSET).

This is a tough inspection, and they get down to the nitty-gritty, where the man's or woman's service record book is reconciled with what is entered into the automated system. That's an important aspect, too, of keeping track of where our people are, when they're getting out, how they're moving, and that their records and files are up-to-date.

Thank you, sir.

Mr. PENNY. Thank you.

The Air Force.

General DILLINGHAM. It sounds like we all do it very similarly. About 6 months in advance we provide mandatory group briefings, and we receive participation and help from VA. Wherever possible, the VA reps come in and are present. So the one-on-ones are as required, more than a set procedure. But it is a mandatory type thing. During the session they're told about their benefits. They are given a VA pamphlet on it. It's not that we don't trust them, but, as part of their record they do certify that they have been

briefed on this. These are the sessions where we really sort out most of our problems.

Mr. PENNY. I'm not sure where the Coast Guard is with this.

Captain BALLANTYNE. Mr. Chairman, we start at 6 months, also. That's really keyed to the decision to reenlist or to not reenlist. We have career counselors who conduct interviews. My sense is that we don't have the formal mechanisms and the resources available to do it at quite the same level of formality, but we go through the same basic types of processes.

The one thought I would add is that in this process, this is one of several relatively complicated things that people are not interested in until it has some special meaning to them, so if it means something to them, they're going to take an active interest. If they weren't thinking about it, or weren't particularly interested on that day, they may or may not remember that they heard it. If they're presented a briefing and they have no questions, then it comes and goes very quickly.

Mr. PENNY. In those services where you are presently conducting individual sessions, are you satisfied, considering the likely increase in the number of personnel being discharged who are eligible for the GI Bill, that you're going to be able to continue that one-on-one opportunity for counseling, or that you're not going to get overrun here with——

Admiral BOORDA. We don't do batched processing discharges, if you will. I mean, they do sit down with someone before they leave. In our case, as Larry mentioned, we have them sign a document that goes in their record that serves two purposes. It doesn't just say they were counseled. It tells what they were counseled on, and if they read that, they're already ahead of the game.

I don't see us, if we get the Senate numbers that are rumored, doing a lot of involuntary discharges. But even if we did, we owe people too much to do that sort of a batched process kind of business. We simply won't let that happen.

Mr. PENNY. Thank you. I have no further questions.

Mr. Geren, do you have any questions of these witnesses?

Mr. GEREN. No, Mr. Chairman.

Mr. PENNY. You've been very helpful. I again appreciate your commitment to make this program work and to smooth the exchange of information between the military and the discharged servicemen, as well as between the DOD and DVA. I encourage you to continue your efforts to make this work as well as possible and to participate in the interdepartmental discussions that I hope will soon be undertaken to identify any other glitches or problems that might arise. We want this to be a smooth process and a positive experience for our service people. Thank you for your role in making that happen.

Our next panel involves the Reserve and Guard forces. Maj. Gen. William Ward, Chief of the Army Reserve; Rear Adm. James E. Taylor, my superior, in the Navy Reserve; Brig. Gen. John Closner, Deputy Chief, Air Force Reserve; Lt. Gen. Norman Smith, again representing the Marine Corps; Capt. Thomas Pike, Acting Deputy for Reserve, U.S. Coast Guard, Maj. Gen. Donald Burdick, Director of the Army National Guard; and Maj. Gen. Philip G. Killey, Director of the Air National Guard.

I appreciate your presence this morning. I would urge you to lay aside your written remarks and share with us those observations you might have about steps that can be taken to assure our service participants that they have a positive experience in accessing their GI Bill benefits.

We will begin in the order that you've been introduced. General Ward, if you would proceed first.

STATEMENT OF MAJ. GEN. WILLIAM F. WARD, CHIEF, ARMY RESERVE, DEPARTMENT OF THE ARMY

General WARD. Mr. Chairman, a couple of programs have just gotten underway and one existing program is expected to continue to help.

First, and perhaps the most significant, has been the recent establishment of education service officers in each major Army Reserve command. They were originally called "incentive officers" and dealt with the various incentive programs, particularly those in the medical area. They have assumed these new responsibilities and have been a focal point for expertise and quality control within the MUSARC with respect to the database.

We have just completed the first introductory course for incentive officers at Fort McCoy, WI. It began on the 30th of May and finished about the 15th of June. The feedback from that course has been extraordinarily positive. We think the course will have a significant effect upon the quality control of management of MGIB benefits in this field.

As referred to earlier, the Department of Defense review of all service codes, which is now underway, will allow corrections in this USAR SIDPERS database. This should aid considerably in assisting the rapid assimilation of that data in the DMDC database.

The Army Reserve's percentage of participation in the MGIB program is about 57 percent and growing, albeit gradually. One of the reasons it does not grow faster is that a lot of people defer participation in the program until various things in their lives such as jobs and promotions become more settled. The number of MGIB participants has been gradually growing every year.

Next, I want to talk about a subject that we're currently working on. Currently, MGIB data flows through the chain of command directly. It goes from the unit to the MUSARC, to the continental U.S. Army to ARPERCEN and then from ARPERCEN on to the DVA in Monterey. We think that's a tedious process and one that does not contribute a great deal of added value at every level. We are giving a very hard look and trying to work with Forces Command to correct that functional flow of data, so it flows from the quality control director directly to the database in Monterey, without going through the entire chain of command, although, data would be available to them for audit activities.

Right now, while we can move it more quickly, it, nevertheless, does take five steps. Minimal value is added, in our observation, at each step. ARPERCEN does need data, but not as a primary recipient nor to determine eligibility. They need it for other purposes. We think we can eliminate many of these steps with no negative impact on quality.

Those are the three main points.

[The prepared statement of General Ward appears at p. 97.]

Mr. PENNY. Admiral Taylor.

STATEMENT OF REAR ADM. J. E. TAYLOR, DIRECTOR OF THE NAVAL RESERVE

Admiral TAYLOR. Good morning, Mr. Chairman.

First of all, I want to assure you that I share your concerns with the efforts we need to make in order to be sure our sailors get their checks on time. In my dual role as Director of Naval Reserve and as Commander, Naval Reserve Force, I am exercising every opportunity to do that.

I think we have made great progress in the past year. We have driven our rate of "unknowns" down from 31 percent to about 4.5 percent, and we've driven our error rate down from 24 percent to just about 10 percent. That's not saying we can't do more.

As you know, there are several elements to ensuring that the system works. First of all, you have to have good administration, you have to have good training, you have to have communications, and you have to have good ADP support. Also, an element we have to look at is better coordination with the educational institutions.

First of all, with regard to administration, the Naval Reserve has a dedicated, full-time support, MGIB representative at every Reserve center and every training site. They are there to help all of the units in administration of the program. We put out very comprehensive instructions for the field on how to affiliate members with the MGIB. It emphasizes the requirement to have the NOBE issued promptly and that all elements are to be done accurately.

With regard to training, we have many ways of doing that. First of all, we teach MGIB training in our Reserve administration course, which our personnel administrators attend as well as commanding officers and executive officers. We teach MGIB entry problems and how to correct them at our RSTARS operators and managers course. RSTARS is an ADP system that is used to support us administratively.

From the headquarters in New Orleans we have a Montgomery GI Bill team who travels throughout the United States to those units and areas which are experiencing high error rates to give instructions to correct those. We also hold regional administrative gatherings, where we bring the administrators in. We had 50 MGIB administrators in recently, and we also had at that time—this was in May of 1990—a representative from the Department of Veterans Affairs. So we are liaisoning with them at the same time.

With regard to communicating with the individual—and I think that's very important—on a regular basis we provide advice, through several means, not the least of which is our Naval Reservist News, on all aspects of the Montgomery GI Bill program, new changes that are coming out, who they can contact if they have problems. I think that's very important because we would much rather they contact us with their problems than to have to contact you or Congressman Montgomery. We think we can handle that problem also.

We have an 800 number that is listed, published, and everyone knows. If they have difficulty, they can contact us at the headquarters in New Orleans.

Systems improvements is an area where we are continually making progress. That's one of the reasons we made improvements in the last year. But there is more that we have planned and more that can be done there. We have planned ADP edits or system improvements that will show us, almost automatically, if an error has been made upon affiliating a new member. We have plans for an automatic NOBE form that will come out at the time the sailor is affiliated, so that there will be no discrepancy in affiliation dates or NOBE dates. So there are areas where we can improve our ADP system. That just takes a matter of time and effort.

Lastly, the coordination with schools I think is important. Once the affiliation data is entered and the sailor is affiliated with the school and difficulties arise with payment, that is not necessarily our responsibility. But we want the school to know we're there to help. I think we're going to look very hard at providing data to institutions within areas of the local training sites to give them numbers and contacts if they have problems. So we think there is room for improvement. It takes effort on everybody's part throughout the chain of command, and I will assure you that we're going to continue to work to make the system work.

[The prepared statement of Admiral Taylor appears at p. 100.]

Mr. PENNY. General Closner.

STATEMENT OF BRIG. GEN. JOHN J. CLOSNER, DEPUTY TO CHIEF, AIR FORCE RESERVE

General CLOSNER. Yes. Thank you. I am very glad to be here today, Mr. Chairman.

We, in the Air Force Reserve also have an education specialist who we added to our program, for a little added emphasis to try to work the unique problems at the unit level. Additionally, we have started an annual MGIB managers workshop because, as you are probably aware, sometimes the written word doesn't get spread around as well as it should be. So our workshops are to get our people who are really trying to work the problem at the unit level and work on the procedures for processing these NOBE letters.

The technique that seems to work quite well in getting everyone's attention is when you put it on the inspection check list. We have a special interest item that our IG has to go around to see that the proper emphasis is placed on serving our people in getting this program going.

We just did a survey recently on this and we got some fairly interesting information out of it. We feel from the feedback, from the unit level on up, we haven't really found there's a real big problem. We process the paperwork on time and we have a seven-day requirement to enter the eligibles. We don't wait until a specific time to enter the personnel data system. We have good tracking and we have very short lines of communications if there are problems. We have the Air Reserve Personnel Center for most of our individual mobilization augmentee reservists, and we have our headquarters at Robins Air Force Base. So we have two lines that

people can go to if things aren't working very quickly. Additionally, in the Pentagon we hone one point of contact there, so we have real short lines to resolve any unique problems.

The survey that we got back did show yes, there are some problems in people getting checks in a timely fashion. I applaud the efforts in contacting and working with the education specialists out there. If we target the financial aid directors, I think this is going to help considerably.

We had 46 percent of our people in the survey who indicated that new benefits are going to be much more attractive to the Air Force Reserve than prior. The main reason for this, of course, is that in the Air Force Reserve we probably have the highest percentage of prior service people coming to the Air Force Reserve, in which 74 percent of our eligible MGIB people have prior service.

Other than that, the Air Force Reserve is doing the very best we can. We know there is more to be done and we'll continue to emphasize that.

Thank you, Mr. Chairman.

[The prepared statement of General Closner appears at p. 102.]

Mr. PENNY. Thank you very much.

General Smith.

STATEMENT OF LT. GEN. NORMAN H. SMITH, DEPUTY CHIEF OF STAFF FOR MANPOWER AND RESERVE AFFAIRS, U.S. MARINE CORPS (RESERVE)

General NORMAN SMITH. Thank you, Mr. Chairman. Obviously, my comments from the previous panel hold here as well.

I did want to mention to you how the Marine Corps Reserve sees these benefits that have been reflected in the Montgomery GI Bill in the proportion of 6-year enlistments that we have received. It has been significant. From a percentage in 1986 of 83 percent, it has jumped up to, so far this year, 97 percent. I think that's significant right there. Of the total Marine Corps Reserve, we just have some 47 percent actually participating in the Montgomery GI Bill, but you have to keep in mind that we had a lot of those reservists who were active duty and that skews these data before 1985. So, I think that sort of sets a good tone and the positiveness in our Reserve program.

Thank you, sir.

Mr. PENNY. Thank you.

Captain Pike.

STATEMENT OF CAPT. THOMAS R. PIKE, CHIEF, RESERVE PROGRAMS DIVISION, U.S. COAST GUARD

Captain PIKE. Yes, sir. We appreciate the opportunity also to be here this morning. The Montgomery GI Bill is certainly a recruiting incentive, but perhaps more importantly, it's an incentive to people already in the program to maintain a satisfactory level of participation so that they remain eligible for it.

I would also like to echo what the Air Force witness said, and that is that the new changes which are allowing technical training we feel will be a particular advantage within our organization be-

cause we, too, have a very high percentage of prior service recruits. For them, technical training is probably more important.

Just a few areas here that we would like to touch on. The two areas that are important to making the program work are a good administrative system and getting information out to the field on how that administrative system works, so that they know how to use it and how to access it. We probably have a better administrative system than we have an information system. We find that a lot of people perhaps, as an earlier witness said, don't become interested in listening to the data until it's critically important to them and they're about to use the program. So even though there's a briefing during the fifth day of boot camp, and although there's another briefing 2 days later, and certainly briefings once they arrive at their reserve unit, it's only when they try to access the system that they seem to start paying attention. We would like to do a better job of putting almost cookbook information out for our people so that they do know how to access the system and make the best use of it.

As far as the system itself is concerned, we're taking some very positive steps now to hopefully speed up the process. Effective October of this year we hope that the information will be flowing at the speed of electrons rather than the speed of paper, so that eligibility is reflected in our personnel database even before the NOBE is in the hands of the people. We think that will be a significant step forward.

Since the summer of 1988, we've had an 800 number hotline that rings right in headquarters, where there is a live person who answers it, who is our program specialist. Perhaps some measure of the success of the program right now is that during the past 12 months there were only 50 cases that rose to the hotline level. We feel very comfortable that that's not a bad number.

Finally, another area where we feel we are realizing some success is in handling reservists who go on short-term active duty and then have an interruption of eligibility. Through some very good cooperation with the VA, we think we have found an interim fix for that problem through assigning them to a TRAPAYCAT which will allow them not to have an interruption of eligibility when they leave short-term active duty.

That's all I have this morning, sir. Thank you for this opportunity.

[The prepared statement of Captain Pike appears at p. 104.]

Mr. PENNY. General Burdick.

STATEMENT OF MAJ. GEN. DONALD BURDICK, DIRECTOR, ARMY NATIONAL GUARD, DEPARTMENT OF THE ARMY

General BURDICK. Mr. Chairman, I too appreciate the opportunity to appear before your subcommittee this morning. I want to thank you and your subcommittee for the Montgomery GI Bill, as well as Congressman Montgomery.

This has been a tremendous success in our Army National Guard. On a personal note, I just want to mention that I have two sons that availed themselves of the provisions of the Montgomery GI Bill and are now both serving as officers in the U.S. Army. So I

am personally committed to seeing that we have as effective and efficient system as possible.

The Army National Guard today has over 72,000 soldiers availing themselves of these benefits; I think this is the highest of any of the Reserve components. We are doing our utmost and will continue to make this an efficient system. Like the other Reserve components, we've established a State Education Officer position. This officer coordinates with the schools as well as the units.

We start, though, right at the beginning. It's kind of a multifaceted approach. We start with the recruiter. We ensure that he's trained and he can talk with the individual, and then we also have the retention NCO in the unit and he talks with the individual soldier.

Through our management conferences that we hold—and we hold three of these throughout the country—we train all of our people on this. So we are moving to improve the efficiency of the entire system.

I think General Ono mentioned the Defense Manpower Data Center. We have a direct link now to the National Guard Bureau—and by the way, sir, I also have an officer at the National Guard Bureau, and his entire effort is devoted to this. We have a direct link with the management data center, so if there's any problems there in terms of verifying the eligibility, we can correct these. So I think we're going to see an improvement in this.

Certainly the improved benefits now, the vocational schooling, will increase our participation.

I might mention that there's one shortfall in the system that I think is somewhat significant, and that we ought to take a look at. This is that is our title 32 Active Guard Reservists at state level are not eligible for the Montgomery GI Bill, neither the Active component nor the Reserve Component. This should be corrected.

Also, I feel it would be important—certainly I agree with Congressman Montgomery—that we can increase the benefits, as was mentioned earlier. But I think it would also be important if we could further the education of our officers with a post-graduate degree, particularly our company grade officers. We do this on the active component side. For the reserve components, when a young officer, e.g., a first lieutenant, gets to be promoted to captain, he is usually at that stage in his career where he has a couple of young children and he's perhaps being advanced in his civilian career, and he moves. At that time he considers whether he should really stay in the Guard or not.

If we could give him an added incentive to kind of lock him into that 12-year period, I think he would stay for the remaining period. The Montgomery GI Bill has certainly helped now in terms of retention in the Army National Guard. Our retention is the highest it has ever been, and I think with the young officer assistance with a post graduate degree would also help here.

Sir, the Montgomery GI Bill is a success. I want you to know I'm personally committed to ensuring that we have as effective and efficient system as possible. We're going to continue to work on that.

Thank you very much.

[The prepared statement of General Burdick appears at p. 106.]

Mr. PENNY. General Killey.

STATEMENT OF MAJ. GEN. PHILIP G. KILLEY, DIRECTOR, AIR NATIONAL GUARD, U.S. AIR FORCE

General KILLEY. Thank you, Mr. Chairman. I appreciate being here with you this morning.

I think we all realize that the key to our success in the military is the recruiting and retention of quality people, and bottom line for the Air National Guard. We're at 101 percent strength, and of our people with less than 20 years, we're at 91 percent retention of those people. Obviously, the Montgomery GI Bill has been very key in that success story for us. Approximately 46 percent of our people, or around 54,000, are eligible for the Montgomery GI Bill, and approximately 39 percent of those eligible have applied.

Now, we can improve upon that, and we have improved by 4,000 over our figures from last year. Through our career and education managers at the unit level, every one of our units has a career and education manager, and by ensuring they are very well trained, we are improving upon those things.

But we still have some areas to improve. I personally have sent out letters to all the States and to the units emphasizing the benefits of the Montgomery GI Bill. In the handling of that data itself, we have improved tremendously. Our unknowns now, we're 98 percent accurate. Only 2 percent of our numbers are unknown and we'll be at 100 percent accuracy we feel by this time next year.

In the processing of that data, right now I think our time is a little over 120 days. We're going to be able to improve upon that significantly. Working with the Air Force, the Air National Guard and Air Force Reserve are going to a weekly handling of that data versus the monthly that is currently taking place. By increasing that handling time, obviously the processing time itself will improve tremendously.

I would also like to mention that we're an extremely strong advocate of the voc-tech training. I think our participation in the Montgomery GI Bill will improve tremendously. If you look at where the Air National Guard is located throughout the country versus other components in smaller communities—and I think that's why our overall participation rate is probably a little bit lower than some of the services that are in the large communities. But with that voc-tech, and hopefully the postgraduate benefits, we will also have increased participation.

Thank you very much.

[The prepared statement of General Killey appears at p. 109.]

Mr. PENNY. Thank you.

It seems to me perhaps the main area of potential delay is the length of time from the date of issue of Notice of Benefit Eligibility to the time that DMDC has that information and can relay that information to the Department of Veterans Affairs. What is the time frame in each instance here between your issuance of that notice and the time that DMDC is fully appraised of that information?

General WARD. We put 65 days as probably being an optimum time. If it's within 120 days, you're still able to get the check to the person on time. But from the time we input a correction at DMDC, it then has to flow to the Department of Veterans Affairs, where it

takes about 2 to 3 months to effect the correction. It takes about 2 months to get the correction noted and another month to get the check issued. Therefore, even if all the front-end data are proper to begin with, processing times range from at least 60 to 90 days. When one window is missed, it can take over 120 days.

Mr. PENNY. When the Guard member or reservist is given their Notice of Benefit Eligibility, are they also at that time told of the time delay that will exist so that they don't walk right out and expect a check the next week because you've given them their NOBE?

General WARD. I can't assure you that everyone gets that word, but our policy is to advise them of about a 65 to 120 day window.

Mr. PENNY. Is this something we just have to live with or is there something that could be done to speed that along so that we're not talking a 2- to 4-month delay?

General WARD. Yes, the things I talked about previously of eliminating steps and having the data transmitted directly from the unit to the DVA, will shorten the front-end load of it. The other part of the solution remains essentially within the Department of Veterans Affairs, which they discussed earlier today. I am far from being expert on that.

Mr. PENNY. The Coast Guard said you've got this computerized?

Captain PIKE. Right.

Mr. PENNY. Does that mean that you've got a faster relay of information than the other services?

Captain PIKE. The system we plan to have in place by October of this year will mean that, instead of the information flowing at the actual moment a NOBE is issued, it will start flowing as soon as eligibility is determined.

Mr. PENNY. By computer?

Captain PIKE. By computer, yes, sir.

Mr. PENNY. Is that being contemplated in the other services?

Admiral TAYLOR. Mr. Chairman, we already transmit our data to DMDC via computer. Our average time varies from 30 to 60 days, from the NOBE issuance until the data is received at DMDC. Any additional time from DMDC to DVA, I'm not aware of how long that might take.

General WARD. Our transition from ARPERCEN to the DMDC is electronic. The data flow before that is not electronic. We're working on that. It's part of the RCAS project, but it's one of the things that perhaps we may want to take a look at as a networking before RCAS comes aboard.

Mr. PENNY. Does anybody else want to——

General NORMAN SMITH. In the Marine Corps, sir, the NOBE is transmitted automatically when the member becomes eligible into this DMDC. We found that we're running about 111 days between eligibility start date and the update of the database. We get the NOBE off and running within 10 days of eligibility.

Mr. PENNY. You take 10 days, and to have that finally into the database is another 4 months?

General NORMAN SMITH. That's the information that I have, yes, sir.

Mr. PENNY. Do you have any understanding as to why, once the information is available—I mean, if you've made the information

available to the servicemen and, in turn, transfer that information up the ladder, why does it take them 3 to 4 months before they actually plug that into the computer?

General NORMAN SMITH. I could only speculate on that one, sir. I would guess that it could possibly be batched processing in a very busy system. Sir, please believe me, that's a guess, because I've run into similar circumstances in other automatic data personnel management systems.

Mr. PENNY. That's really out of your hands, but that's something we'll take a special interest in, because any delay of that length is something that clearly has to be remedied or we're going to be in a position where we're responding to complaints and requests from service members. I mean, we don't mind helping, but that's something we shouldn't have to be involved in.

Are there any others who want to respond on that point?

General KILLEY. In the Air National Guard, that career and education manager at the unit level is the one that handles that processing. He has direct data input to the system as he interviews the enlistee or reenlistee. The Air Force goal is about 120 days. We have a goal in the Air Guard of approximately 70 days. I think that changing from a monthly handling of that data between MPC and the Data Center to weekly is going to greatly increase that time. I think we will be able to meet our goal of approximately 70 days.

Mr. PENNY. Thank you.

General BURDICK. Sir, the Army National Guard, the eligibility data is verified at the unit level. From there, until it's really entered into the Defense Manpower Data Center, it takes about 90 days right now. Again, we're working on a monthly basis, and I'm going to look into seeing whether we can do this in a shorter period of time. That would certainly help.

Then the other delay is after it leaves NGB. That's from the Defense Manpower Data Center to the VA. So we'll check into that and I'll see what I can do.

Mr. PENNY. I'm going to dismiss this panel with our committee's appreciation for your testimony. But I also want to encourage the Department of Defense, that when they establish the interdepartmental dialogue with DVA about streamlining this process, that they include you or representatives of your offices in those sessions. Because we want to make sure everybody is at the table. We've all got a role to play here, so as those discussions ensue, I want the active duty and the Reserve and Guard units to be represented at that table.

I might also suggest that those meetings begin in the relatively near future and that our committee staff be notified and involved in those discussions, so that we can help to facilitate this dialogue.

With that, thank you so much for your participation this morning.

We will call forward our last panel, Ms. Lynn Denzin, President, National Association of Veterans Program Administrators, and Mr. Ronald Atwell, Director of Veterans Services for the University of Central Florida.

Welcome. We will follow the overriding instruction to set the written testimony aside and give us your recommendations as to

how to streamline this process from the perspective of the college campuses. Ms. Denzin.

STATEMENT OF LYNN DENZIN, PRESIDENT, NATIONAL ASSOCIATION OF VETERANS PROGRAM ADMINISTRATORS

Ms. DENZIN. Thank you, Mr. Penny.

The first sample that I would like to give you of problems in the system are included in my written testimony, problems of duplication of forms being sent to students and confusing information on those forms that causes a great delay in payment to the students.

Mr. PENNY. You can elaborate if you would like.

Ms. DENZIN. Okay.

Mr. PENNY. At the risk of restating what's in your written testimony, I will let you elaborate on that point.

Ms. DENZIN. When the self-verification form is sent to the student, it is important that that form include information with which the student is familiar—correct dates, credit hours, and references that the student will be familiar with. Many of those forms right now are being sent out with information that corresponds with some internal VA cycle but does not correspond with semesters and credit hours that the student is currently taking.

Sometimes the student messes up their own benefits by saying the form is wrong because it doesn't correspond with what they're currently taking. They delay their own benefits by not interpreting the form correctly.

The second issue of difficulty is in placing inquiries to try to assist the student and the need that we have for direct contact with the processing centers. When an inquiry is placed for a student and it's interpreted by three or four different people along the line, the information that finally gets answered is often not the original question. We would support a toll-free number of the processing centers and the contact person.

Mr. PENNY. We don't have that now?

Ms. DENZIN. No, sir.

Mr. PENNY. What do we have? We have four centers around the country?

Ms. DENZIN. We cannot contact them. We have to contact the regional office in our State. Then they contact the processing centers.

Mr. PENNY. So you've got somebody else in the middle here.

Ms. DENZIN. Right.

Mr. PENNY. That doesn't seem to be a very efficient system.

Ms. DENZIN. No, sir, it's not.

Mr. PENNY. Okay.

Ms. DENZIN. The third thing that I would mention is something that has been discussed at length already this morning, and that's the need for improvement between the communications of the VA and DOD systems. When these gentlemen said it takes three or 4 months for them to process it, that's very true, and at least another six or 8 weeks at the VA. Often, the first semester is completely passed before the student gets their money.

The fourth area that we are concerned with is the support for veterans offices on the campus. The VA has not increased the reporting fee for a number of years. The Department of Education

has not recommended funding for the veterans educational outreach program, and the schools are seeing a reflection that it's not important any more, that veterans on campus are decreasing and that there is no need to have separate, stand-alone veterans offices.

Also, I notice that you have referred to the veterans coordinators as financial aid officers. That is true in some cases, but not in all. Often those people are in admissions and records and very often there are still some that are stand-alone departments.

Mr. PENNY. Are the campuses generally aware that they're going to see increasing numbers in the very near future of discharged personnel coming to college campuses?

Ms. DENZIN. The only place they get that information is if the veterans' person tells them. Often that's interpreted as a self-serving statement, that "I want my job so, of course, I'm going to tell you that I'm still going to be needed."

There was recently an article in the Chronicle of Higher Education which also gave numbers, and that kind of thing does help to support what we report.

Mr. PENNY. Do you think a state-wide conference, broadly advertised on every campus, would help to highlight the program and to alert campuses to the increasing numbers of servicemen that are coming their way and how to process those students?

Ms. DENZIN. Yes, sir, I think it would help. I think it would help if that information were shared not only with the veterans coordinator but with the higher administration, so that they could see there was a reflection of importance.

Mr. PENNY. To invite several people from each campus, someone within the administration, the veterans person, if they have a separate position, and financial aid as well?

Ms. DENZIN. Yes. In fact, today, in Colorado, there is such a training session. Every year they do hold one, the SAA and VA.

The last thing I would like to mention is the importance of a continued examination of problems within the system, and for that I commend you and the committee for doing so. Thank you.

[The prepared statement of Lynn Denzin appears at p. 112.]

Mr. PENNY. Can I back up to your first remark about the confusing information that a veteran might receive when they have to certify their continued enrollment as a way of accessing additional benefit checks.

What do you think of the notion of sending the check to the campus, and the check is only, in turn, given to the student if they are actually enrolled in that given month?

Ms. DENZIN. When we have brought that suggestion forward within the educational community, there was mixed response. Some people are certainly willing to do it because it would assist the student. Some people were hesitant to take on that extra responsibility. So I have to say it's a divided——

Mr. PENNY. We understand it's an extra responsibility, but it also seems to me that it would be a more secure check on abuse—not that I believe any veteran would abuse the system, but it could happen. If they self-certify, we could prosecute if we ever do a proper job of investigation and catch them. But the odds are in their favor. If the campus certifies, because you have the check and you don't turn the check over unless you know, as an administra-

tor on that campus, that this is a student that continues to be enrolled and to attend classes, that seems to be a more secure system for the Government.

The hassle for the campus is certainly something I understand, but the savings and the security of the system from the standpoint of the Government would be enhanced. It also would eliminate the confusion, because when you self-certify and you have to fill out that form every month and mail it back by a certain date in order to make sure your next month's check isn't late, it's a paper flow back and forth between the veteran and DVA. The mail going either direction can be delayed. The veteran could set it aside; the veteran could misunderstand the nature of the form, or be confused because the form doesn't seem to correspond with the months that he will be in session. If he's got a semester system instead of a quarter system, if he's out during the summer but back in the fall—you know, there are all kinds of opportunities for something to get tripped up. So he might miss out on a payment that he's actually entitled to. That wouldn't occur, I wouldn't believe, if we just placed either the financial aid director or some other official at the school between the veteran and that check as a way of certifying that they're still in school.

Ms. DENZIN. That becomes a form of monthly certification by the school, and many institutions have adamantly remained opposed to that proposition. However, I understand what you're saying.

Mr. PENNY. Thank you for your testimony.

Mr. Atwell.

STATEMENT OF RONALD H. ATWELL, DIRECTOR, OFFICE OF VETERANS' AFFAIRS, UNIVERSITY OF CENTRAL FLORIDA

Mr. ATWELL. Thank you very much, Mr. Chairman. I appreciate the opportunity to testify before this subcommittee.

As a veteran, who received a master's degree and a bachelor's degree under the GI Bill, I have a personal interest in supporting veterans concerns.

Being the last speaker it puts one in a position of not having anything new to add. I find myself in that position—with one exception. In my testimony I recommended that the VA do away with the requirement to report all changes in enrollment status. We have heard about problems of processing delays. I will assure you that the Atlanta office runs 3 to 4 weeks behind processing chapter 30 claims when compared to other chapters processed in within the State of Florida and other States in the Atlanta regional area.

I do not mean to imply that Atlanta is not trying, and the process is improving. What I would like to do is look for avenues to increase the processing speed. One way would be to remove the requirement where schools have to report every change of enrollment. In many cases—I don't have the statistical data, but I can provide that—the reported change has no effect on the training time or benefit amount. Yet we submit the VA Form 22—1999b and the DVA must process the change of status.

For my other comments, I would like to address areas that have been discussed earlier. I appreciate what the military services are

doing, and I've been visiting Reserve units and I know that many of them are working very hard at submitting corrections, briefing members on eligibility requirements, and training unit personnel.

It was stated that most of the active duty services are briefing members on the MGIB 4 to 6 months prior to discharge. I would suggest that the DVA also verify and certify eligibility? With that much time up front, it would not be a problem for the DVA to make that decision, based on a projected discharge date.

The problem, is that after the person is discharged, it is too late to rectify an error that could have been corrected prior to discharge.

The cases I'm talking about are where service members discharged early and did not meet the specific requirements of the statute. The problem is that the discharge code was incorrect, and they were being discharged early at the convenience of the government, the discharge code reflected a voluntary discharge. I have specific cases that I can provide if needed.

The next area I would like to address is that of Electronic certification. We are one of the few schools in the Nation involved in electronic certification. We are one of the few schools that is transmitting to Atlanta. This system has improved the speed and accuracy of certification, and reduced processing time tremendously. It has not solved all the problems. But we see it as one area where the VA can improve claims processing.

Finally, in the area of communication. One of the problems that schools deal with is that the DVA sometimes does not have a record (DVA term "Under Computer Control") that a claim was received even after 4 or 5 weeks. Yet we are told that claims are being processed in 30 to 45 days. While I have no documented proof of this, it's my opinion that the VA bases all their claims processing rates on how long it takes to process a claim based on when the information is entered into the target system. I believe that there is probably 2 or 3 weeks that pass before the benefit claim or enrollment certification is entered into the Target system. During this lead time, the claim is not being processed and nothing is being done to make the award. However this delay time is not reflected in the DVA processing rates.

The other area is the issue of the ombudsman. We feel it is very important that we have somebody at the VA that we can contact that has information available and has the authority to take some action. Right now, we talk with education services people and they are very helpful, but they are not adjudicators. The adjudicators do not work for them. We would like to see some system where there is someone we can talk to that has the authority to take a claim over the phone and verify it based on our recommendations and our input.

I thank you very much.

[The prepared statement of Ronald Atwell appears at p. 123.]

Mr. PENNY. We thank you.

It's interesting that you should remark that the complaints or concerns are not turned around as quickly as the DVA claims, and it's your suspicion that perhaps they're counting from the time that they actually input that complaint into some kind of database and at that point they begin working on it, and that there's a delay

from the time they actually receive it until they officially recognize it.

Mr. ATWELL. My understanding of the system is that when the mail room—or, in my case, I transmit directly to the computer—there is a time period from when the certification or the application is received and the time it's entered into the target system. I feel that that time is much more than what you would just consider normal, processing time.

Mr. PENNY. It's reminiscent of legislation a couple of years ago, or maybe it was an FAA policy, that airlines had to leave on time and report what their rate of on-time departure was. The way they got around it was to leave the gate on time and then sit on the apron for half-an-hour before they actually took off. So they had on-time departures, except they weren't really getting off the ground until some time later.

Well, we can pursue that. I think there may be a couple of legislative ideas that we can come forward with to assist in expediting the processing of paperwork and the issuing of the checks. A lot of what needs to be done, it seem to me, would be in the realm of administrative remedies. It would be my hope that this working group between the departments and involving the various branches of service, as well as my staff and maybe some spokesmen for the campuses, that it would help to identify these other snags in the system and to institute systems and procedures that will eliminate these delays.

I guess I simply want to indicate today that it is our intent to stay on top of this and to urge that those interdepartmental working group sessions be held and do whatever else we can to keep a focus on this issue so that we don't have a system that is fraught with delays.

Again, we appreciate your testimony and your recommendations. To the degree it requires legislative involvement, higher appropriation levels for staffing or for equipment, we will work with the appropriate committees here in Congress to see if they will help us address those concerns as soon as possible, and we will stay involved with both DOD and DVA to see that that working group becomes an action group to address some of these concerns that really must be resolved in an administrative manner.

I want to mention one other thing just for the record. When that working session is put together, one concern that I didn't raise in my questions this morning, which I would like addressed, is the nature of a serviceman's discharge. It seems that each branch of service has different categories that they place people in. Some result in eligibility for GI benefits and others do not. I think we have some gray area here.

For example, we heard from a serviceman down in South Carolina who was discharged due to seasickness. Evidently he didn't realize it was that serious a health problem until he was at a point where he was stationed on a ship and he had no other job to be transferred to within the Navy so he was given a discharge. On that basis, he is ineligible for benefits.

You know, I think we just have to think through the circumstances of a discharge and make sure that, from service to service, there's a more consistent policy as to what types of discharges are

going to result in benefits being denied and what types of discharges are going to retain benefit eligibility. So that's another topic we may want to review at those sessions.

Again, I appreciate your traveling to be with us today. We look forward to working with you to resolve any problems that may be out there, so that in the future our veterans have nothing but a positive experience with the program.

With that, the committee meeting stands adjourned.

[Whereupon, at 11:55 a.m., the subcommittee was adjourned.]

APPENDIX

OPENING STATEMENT OF REP. CHRIS SMITH, NJ
VETERANS AFFAIRS SUBCOMMITTEE ON
EDUCATION, TRAINING, AND EMPLOYMENT
HEARING ON MONTGOMERY GI BILL
JULY 12, 1990

Thank you, Mr. Chairman.

Mr. Chairman, I appreciate your arranging this hearing today to review the Montgomery GI Bill. Over the past few years, the Montgomery GI Bill has been credited with improving the recruitment potential of the Armed Forces as well as assisting veterans in their readjustment to civilian life. We want to ensure that the program continues to accomplish these important objectives and for this reason, appreciate our witness' efforts to report on the implementation and effectiveness of the program.

It has been reported that, despite improvements in the administration of the GI Bill program, there are delays in claims processing and mix-ups that seem preventable. As participation in the program increases, it is important to have a strong system in place to accomodate the added demands. We need, therefore, to ensure that measures are taken to cut down on current error rates.

Mr. Chairman, you may be aware that HR 3199, a bill I authored last year with the assistance of many of you, would create an added benefit for Chapter 106 participants who major in a health profession and agree to work for the VA. As we work to expand the GI Bill

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program and its benefits, we must simultaneously seek to enhance those provisions already in place so that the GI Bill is the strongest and most effective it can be.

I trust that today's hearing will enable us to look into some of the areas in need of change and offer suggestions for improvement. I thank the witnesses for appearing this morning and look forward to hearing their testimonies.

STATEMENT OF

D'WAYNE GRAY

CHIEF BENEFITS DIRECTOR

DEPARTMENT OF VETERANS AFFAIRS

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING

AND EMPLOYMENT

HOUSE OF REPRESENTATIVES

July 12, 1990

Mr. Chairman and members of the Subcommittee:

Thank you for the opportunity to appear before this Subcommittee to testify concerning our implementation of the Montgomery GI Bill-Active Duty (chapter 30) and the Montgomery GI Bill-Selected Reserve (chapter 106).

Accompanying me at the witness table are the Deputy Chief Benefits Director for Program Management, Grady Horton, and the Director of the Vocational Rehabilitation and Education Service, Dennis Wyant.

The Montgomery GI Bill has been a success both in its design and its implementation. In my 3 months as Chief Benefits Director, I have been pleased with what I have learned about the Montgomery GI Bill. I am not the only one with this impression.

On June 5 of this year, in a Rose Garden ceremony commemorating the millionth Montgomery GI Bill participant, President Bush called it one of the more efficient programs in government.

The Department of Defense has notified us that, through the end of March 1990, some 900,000 servicepersons, 72 percent of those

who were eligible, had participated in chapter 30. Through the end of May, reductions from military pay for such participation amounted to almost $995 million.

From the beginning of the chapter 30 program in 1985, through the end of May 1990, over 79,000 individuals have received benefits under the program. During the month of May, over 57,000 people were receiving benefits. Over $172 million has been paid in chapter 30 benefits through the end of May 1990. Over 74,000 of the beneficiaries have used chapter 30 for college level studies.

The chapter 106 benefit also has proved popular. Through March 1990, over 170,000 have used the program. Our latest tally shows about 67,000 current enrollees.

Program Growth

Chapter 30 benefit processing initially was handled exclusively at the St. Louis Regional Office. The rapid growth of the program soon outstripped St. Louis' capacity. That challenge was met on July 1, 1989, by opening additional regional processing offices (RPOs) in our VA Regional Offices in Muskogee, Buffalo, and Atlanta.

Chapter 34/30 Conversion

We knew that the chapter 34 program would end on December 31, 1989, and we anticipated that a number of eligible individuals from chapter 34 would convert to the chapter 30 program. We tried to prepare for this. For example, beginning in March 1989, we alerted chapter 34 beneficiaries to the forthcoming demise of chapter 34 and told them of the eligibility

requirements for chapter 30. In addition, we alerted each new applicant for chapter 34 during 1989 about the end of chapter 34 and explained how to apply for chapter 30.

We projected about 25,000 conversions, but the numbers proved greater than we had expected. As of the end of May of this year, we received and processed over 50,000 claims in this category.

Distribution

Originally, chapter 30 workload was spread among the four sites fairly evenly, with 20 to 28 percent of the workload at each site. However, the veterans who converted from chapter 34 to chapter 30 were not distributed geographically in the same way. The workload has shifted so that Buffalo now has 15 percent; St. Louis, 22 percent; Atlanta, 30 percent; and Muskogee, 33 percent.

Adjustments

When the size and distribution of the workload changed, adjustments were necessary. Staff were reassigned and the necessary ADP equipment purchased. Staff at Atlanta increased from 8 in January to 28 in May; Buffalo went from 6 in January to 16 in May; and Muskogee staff went from 8 to 28 during the same period.

Overtime was authorized at the regional processing offices and experienced teams from St. Louis were sent to assist at both Muskogee and Atlanta.

Our timeliness standard requires that we process 94.8 percent of our original claims within 90 days and 88.7 percent of our

supplemental claims (enrollment documents) within 30 days. We are bettering our standard for original claims in all four RPOs and meeting the standard for supplemental claims (enrollment documents) in three of four, with the expectation that the standard soon will be met at all RPOs.

Certifications

In implementing this program, we took aggressive action to prevent overpayments in the new program by requiring monthly certifications. Under the Old GI Bill, overpayments caused by veterans reducing course loads or by dropping out of school were fairly common. Under chapter 30, to reduce the likelihood of veterans incurring debts, we require monthly certifications to confirm school attendance. Additionally, we have streamlined processing of these certifications by using bar-coded forms and scanners. These measures have reduced by half the rate at which debts were incurred under chapter 34. We are now studying the feasibility and desirability of allowing students to use touchtone phones to certify their continued attendance at school. Staff resources saved through the use of automated phone certification could be reassigned to claims processing.

Automation

All Montgomery GI Bill documents received in the St. Louis RPO are scanned into a Folderless File Prototype System. Images of the documents are stored on an optical disk and from that point forward the claims information is processed as an image on a screen instead of as a bulky paper file. The paper claims folder has become an electronic claims folder immediately accessible to everyone in the St. Louis RPO, simultaneously, if

needed. Claims processing is streamlined, and the veteran is better served.

Our optical disk project in the St. Louis RPO was the first successful installation of this technology in the Federal Government. In fact, this project was the fifty-first such system in the world when installed. In the December 1988 issue of Management Information Systems Week, a national computer journal, the Folderless Files Project in St. Louis was selected as the winner---MIS Solution of the Year. What we have learned from this successful research and development project will help us to integrate this technology into our modernization plans.

Chapter 106

The chapter 106 program has been widely viewed as a program with great promise. Like the chapter 30 program, it too is immensely popular.

The breakdown of the 170,000 Selected Reservist trainees is as follows: the Army National Guard has had the largest number of trainees, some 67,000. Next highest is the Army Reserve with over 41,000. Other participation figures are: Air National Guard--over 18,000; Navy Reserve--over 17,000; Air Force Reserve--11,000 plus; Marine Corps Reserve--close to 12,000; and Coast Guard Reserve--about 1,500.

Overall, our experience with the chapter 106 program has been a positive one. VA and the Department of Defense (DOD) continue to work closely to resolve any problems. A VA/DOD Working Group has been actively planning the implementation of the provisions of Public Law 101-189 which take effect in October 1990.

This concludes my testimony, Mr. Chairman. I would be pleased to answer any questions you or other members of the Subcommittee may have.

STATEMENT

OF THE

PRINCIPAL DEPUTY ASSISTANT SECRETARY OF DEFENSE

FOR

FORCE MANAGEMENT & PERSONNEL

MS. KIM F. McKERNAN

THE MONTGOMERY GI BILL

HEARING BEFORE THE

EDUCATION, TRAINING & EMPLOYMENT SUBCOMMITTEE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

JULY 12, 1990

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS

KIM FOGAL MCKERNAN

Kim F. McKernan was appointed the Principal Deputy Assistant Secretary of Defense for Force Management and Personnel by Secretary Dick Cheney on March 7, 1990. She is the principal staff adviser to the Assistant Secretary of Defense responsible for Total Force management, military and civilian manpower requirements and training, mobilization planning and military quality of life programs.

Ms. McKernan arrived at the Pentagon as part of Secretary Cheney's transition team in March 1989. On May 3, she was appointed The Assistant to the Secretary of Defense responsible for political and intergovernmental affairs in the Secretary's immediate office. Ms. McKernan was the Secretary's representative with the White House on all matters concerning the Offices of Political Affairs, Intergovernmental Affairs, and Presidential Personnel.

Prior to her appointment at the Pentagon, Ms. McKernan served on former Congressman Cheney's Republican Leadership staff. Before leaving Capitol Hill, she served as Associate Director of the Office of the House Republican Whip, and prior to this, as Associate Director of the House Republican Conference.

Before joining the staff of the Republican Conference, Ms. McKernan was the Administrative Assistant to Congressman Beau Boulter (TX-13) from 1985 to 1987. As his chief-of-staff, she was responsible for managing three Congressional offices, one on Capitol Hill and two in Texas. Additionally, she served as an Associate on the Minority Staff of the House Budget Committee.

Ms. McKernan began her public policy career in the U. S. House of Representatives with Congressman Robert S. Walker (PA-16) in 1979. She left Congressman Walker's office as his Senior Legislative Assistant to join Congressman Boulter's staff in 1984.

Kim McKernan was born December 20, 1956 in Chambersburg, Pennsylvania. She graduated with a bachelor's degree from Shippensburg University in 1978. She and her husband, Robert T. McKernan, reside in Washington, D.C.

March 1990

Good morning, Mr. Chairman. I am pleased to appear before the Subcommittee on Education, Training and Employment to discuss the Montgomery GI Bill. The Montgomery GI Bill continues a proud history of educational benefits for Service members and veterans. When President Roosevelt signed the Servicemen's Readjustment Act of 1944, it provided readjustment benefits and restored lost educational opportunities to those deserving Americans whose civilian pursuits had been interrupted by the war. The Montgomery GI Bill, enacted in the same tradition, also provides education and training benefits to assist in the readjustment of members of the Armed Forces to civilian life after their separation from military service. This important objective is even more significant in light of the force reductions we are facing. The MGIB was also established to aid in the recruitment and retention of highly qualified personnel for both the Active and Reserve Components of the Armed Forces.

It is rare that legislation fulfills in practice the expectations of its sponsors. However, Mr. Chairman, I am pleased to report that the Montgomery GI Bill has indeed met its lofty goals and much more. As Secretary Cheney stated at the Rose Garden ceremony on June 5 honoring the achievement of one million participants, the Montgomery GI Bill has not only been a significant tool to help young men and women make the transition to civilian life, it has been one of the most important recruiting and retention incentives ever established for our armed forces.

While no single recruiting incentive can fulfill all accession requirements of the Active and Reserve Components, the MGIB has become an invaluable part of the Services' successful recruiting programs. In a recent study, the Congressional Budget Office also established that the MGIB basic benefit contributes significantly to increased enlistments.

Another important contribution of the MGIB educational assistance program has been to attract and develop a more highly educated and productive work force. This higher quality of Service men and women is not only good for the U.S. Armed Forces, but it will inevitably benefit the private sector as well.

The Montgomery GI Bill has been an important factor in the success of the All-Volunteer Force and the Total Force Policy of the Armed Forces. The MGIB is the first GI Bill to include the Reserve components as well as the active force. Since its inception on July 1, 1985, more than 1,113,141 active and reserve members have elected to participate in the program. This testimony will focus on the active force MGIB program.

There is no question about the effectiveness of the Montgomery GI Bill program. The overall enrollment in the active duty MGIB program from its beginning on July 1, 1985 to May 31, 1990 was 72 percent of those eligible to participate. This represents 929,442 men and women participating in the MGIB program out of 1,293,331 active duty eligibles. The open season, which ended June 30, 1989, added 27,000, or 17 percent of the eligible population to the program. A substantial increase in enrollment has also occurred in 1990, with an 87 percent

participation rate. The following tables illustrate enrollment statistics by Service.

Cumulative enrollment from July 1, 1985 to May 31, 1990

Services	Participants	Participation Rate
Army	425,653	85.5%
Navy	254,711	62.5%
Air Force	124,227	57.1%
Marine Corps	119,904	74.0%
DoD	929,442	71.9%

Enrollment from January 1, 1990 to May 31, 1990

Services	Participants	Participation Rate
Army	4,461	92.1%
Navy	4,947	87.2%
Air Force	1,970	68.0%
Marine Corps	3,128	85.7%
DoD	12,536	86.6%

The successes we have experienced can be, in large part, attributed to a greater emphasis on the MGIB program by Service recruiters as well as from growing national recognition that education plays a vital role in a competitive workplace. The Department has devoted considerable time and resources to the promotion of the Montgomery GI Bill program. During FY 1990 approximately $4.4 million will be invested by the Department advertising the Montgomery GI Bill. This includes television, direct mail, print media, and the publication of informational brochures all designed to create and sustain awareness of the program on the part of prospective applicants and the people that influence them.

MGIB information is prominently featured in our direct mail literature. Every 18-year-old male who registers with the Selective Service System receives a full-color information brochure explaining the benefits of the MGIB. Approximately 1.6 million young men are reached in this fashion each year. An expanded version of the brochure is distributed to the Services for use at recruiting stations. We also produce and distribute a magazine for use by high school guidance counselors which contains a MGIB advertisment along with ads from each of the Services. The magazine, called FUTURES, will be mailed directly to 2,714,500 high school seniors and nearly 25,000 guidance counselors this fall.

Again, the positive impact of the MGIB on the Department's recruiting program has been substantial. Most new recruits list education and training among the top three reasons for joining the military. The MGIB provides the principal programmatic response to this need and weighs heavily in the decision our young men and women make to volunteer for military service. Combined with supplementary benefits funded by the Services (Army and Navy College Funds), the MGIB provides the principal incentive for high quality applicants who would not otherwise enlist, to join the military. As part of the recruiting process, all prospective enlistees are briefed on the basic MGIB educational benefits during their initial interview. This includes the criteria to qualify for these benefits, and the specific benefits available. Applicants are told that they will be enrolled in the program automatically and will be given an

opportunity to disenroll should they decide not to participate. If the applicants are high school graduates and their screening tests indicate that they are likely to achieve an above average score on the Armed Forces Qualification Test (AFQT), Army and Navy recruiters further explain that individuals may also qualify for additional educational benefits under the Army or Navy College Funds. The applicants are also provided additional recruiting materials that explain the programs in further detail. In addition, each new recruit is thoroughly briefed on the MGIB benefit by a job counselor at the Military Entrance Processing station. Finally, the MGIB Program is explained again and recruits are encouraged to participate in the program at recruit training center's during basic training. This will be the last brief and also where the individual will make the final decision on whether or not to elect to participate in the program.

Implementation of the Montgomery GI Bill program has proceeded smoothly for active duty personnel within DoD, yet we are continuing efforts to improve and expedite the processing of enrollment data from the Services to the Defense Manpower Data Center (DMDC) and to the Department of Veterans Affairs. We have developed and continue to improve upon a system of tape exchanges and subsequent computer matching of files to facilitate the processing and administration of veterans benefits. We recently completed a review of separation data used in the automated exchange which will now permit us to better define separation information and promote the highest degree of uniformity for the MGIB eligibility determination process. We are also developing

standard operating procedures and memoranda of agreement with the Department of Veterans Affairs and the Services in anticipation of growth in the use of these benefits. Our collective goal is to ensure that administrative errors are minimized and easily resolved, and the benefit is available to eligible members upon request. A system is in place that enables individuals, with the proper documentation, to go to a DVA regional office, and have claims processed immediately.

The MGIB system is a continuum of activity from the time prospective recruits first learn about the benefit at the recruiting office, through the briefing when they enter active duty and elect to participate, to the formal out-brief when the individuals separate or retire. During the separation counseling, the Montgomery GI Bill is discussed with the departing member, at which time they are encouraged to use the education benefit. The DVA then sends additional materials further explaining the MGIB educational benefit program.

Use of the Montgomery GI Bill benefits will be particularly important to those Service men and women who will be involuntarily separated during the drawdown of the Armed Forces. Not all Service personnel have been trained during their military careers for occupations that have civilian counterparts. An example is soldiers trained in combat arms. Having access to educational benefits for training in civilian occupations, such as accounting or computer science, will ease the way for personnel transitioning into the private sector. In closing, I would like to reiterate that the Montgomery GI Bill is more than

ever a critical readjustment benefit that will be invaluable to all men and women who will be separating from military service. We appreciate this Committee's support and leadership.

Thank you very much, Mr. Chairman. This concludes my statement, and I would be happy to answer any questions you or other Members of the Subcommittee may have.

MONTGOMERY GI BILL ACT OF 1984 (MGIB)

(Chapter 30, Title 38, U.S. Code)

Privacy Act Statement

AUTHORITY: Chapter 30, Title 38, US Code, Sections 1411 and 1412; and EO 9397.

PRINCIPAL PURPOSE: To establish eligibility to participate in the Montgomery GI Bill Act of 1984.

ROUTINE USES: Information will be used as a source document indicating participation status of each service member in the Montgomery GI Bill benefits program. Determination of participation status will involve computer matching between the Department of Defense and the Department of Veterans Affairs using information from this document.

DISCLOSURE: Voluntary; however, failure to provide Social Security Number and other personal information may delay processing of this form and may result in the respondent being automatically enrolled in the MGIB.

1. SERVICE MEMBER

a. NAME (Last, First, Middle Initial)	b. SOCIAL SECURITY NUMBER (SSN)

2. STATEMENT OF UNDERSTANDING

a. ACADEMY / ROTC SCHOLARSHIP GRADUATES

I am **NOT eligible** for the MGIB because I am a Service Academy graduate / Reserve Officers' Training Corps (ROTC) scholarship graduate.

(1) Service Member Signature	(2) Rank / Grade	(3) Date Signed (YYMMDD)

b. ALL OTHER SERVICE MEMBERS

(1) I am **eligible** for the MGIB based on my initial entry on active duty after June 30, 1985.

(2) I understand that I am automatically enrolled unless I exercise the option to disenroll by signing Item 3 below by the **date designated** by my Service.

(3) I understand that unless I disenroll from the MGIB, my basic pay will be reduced $100 per month for **EACH** of the first 12 full months of active duty and this basic pay reduction cannot be **REFUNDED, SUSPENDED OR STOPPED**.

(4) I must complete **36** months of active duty service before I am entitled to $300 per month of benefits for a period of **36** months.

(5) If my obligation is less than 36 months, I understand that I must complete 24 months of active duty to receive $250 per month of benefits for a period of 36 months.

(6) I must complete 24 months of active duty service and join the Selected Reserve for a minimum of a 48 month service agreement and serve honorably in the Selected Reserve to begin receiving $300 per month for up to 36 months.

(7) If a non-high school graduate, I must complete all high school diploma (or equivalency) requirements before completing my initial enlistment.

(8) I must use the MGIB within 10 years of release/discharge from active duty or completion of Selected Reserve obligation if qualifying under paragraph (6).

(9) I must receive an honorable discharge for service establishing entitlement to the MGIB.

(10) I may use benefits in-service after 24 months of active duty. Benefits are limited to the cost of tuition and fees or the amount of assistance authorized, whichever is less.

(11) If I die while on active duty, my designated beneficiary(ies) will receive the unused balance of the money reduced from my basic pay for the MGIB. This death benefit will be paid by the Department of Veterans Affairs (DVA).

(12) I cannot receive any combination of DVA benefits in excess of 48 months and if I have received 12 months or more of benefits under any other VA program, my MGIB benefits will be appropriately adjusted.

(13) My qualifying period of active duty service will not entitle me to both active duty MGIB and Selected Reserve MGIB benefits.

(a) Service Member Signature		(b) Rank / Grade	(c) Date Signed (YYMMDD)

3. STATEMENT OF DISENROLLMENT

I do not desire to participate in the MGIB. I understand that I WILL NOT be able to enroll at a later date.

a. SERVICE MEMBER SIGNATURE	b. RANK / GRADE	c. DATE SIGNED (YYMMDD)

4. SERVICE UNIQUE EDUCATION ASSISTANCE OPTIONS

5. WITNESSING OFFICIAL

a. TYPED OR PRINTED NAME (Last, First, Middle Initial)	b. RANK / GRADE	c. SIGNATURE	d. DATE SIGNED (YYMMDD)

DD Form 2366, MAY 90 — Previous edition may be used. — 100 IC

STATEMENT OF

THE DEPUTY ASSISTANT SECRETARY OF DEFENSE

FOR RESERVE AFFAIRS

(Manpower and Personnel)

ALBERT V. CONTE

HEARING BEFORE

THE SUBCOMMITTEE ON EDUCATION, TRAINING

AND EMPLOYMENT

HOUSE OF REPRESENTATIVES

July 12, 1990

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE

34-356 - 90 - 3

Mr. Chairman and members of the Subcommittee:

Thank you for this opportunity to discuss with you the implementation and effectiveness of the Montgomery GI Bill for the Selected Reserve. As requested, I will also cover our progress in helping to ensure that the delivery of benefits is timely and efficient. While areas for improvement remain, we have continued to make progress within the Department of Defense, and in cooperation with the Department of Veterans Affairs, to ensure that the opportunities and benefits of the Montgomery GI Bill are available to every eligible Reservist.

The Montgomery GI Bill is important as both a recruiting and retention incentive for the Selected Reserve. It continues to have a positive impact on Reserve accessions. Because eligibility for the benefit is limited to individuals with a high school diploma and the benefit attracts those interested in further education, the program is targeted to the high quality individuals sought by the Reserve components. On June 5th of this year, many of us attended a ceremony at the White House to celebrate the one-millionth individual to sign up for the Montgomery GI Bill. The exemplary quality of the young people selected by the Services to represent their component is indicative of the high caliber of individuals now coming into the military, in large part due to this program.

The Montgomery GI Bill has its primary draw with younger members. Ninety percent of the enlisted participants are under age 30, and fifty percent of the participants are under age 22. Thus, the Montgomery GI Bill complements and balances the draw of other reserve benefits such as the retirement system, which has a greater effect on members with more years of service.

Today more than 134,044 members are participating in the Educational Assistance Program for members of the Selected Reserve. Since the inception of the program there have been over 183,699 Reservists who have applied for educational assistance. The Montgomery GI Bill is, therefore, one of the most important recruiting and retention incentives established for the Reserve components in a decade.

Participation in the Montgomery GI Bill program requires an obligated term of service of at least six years in the Selected Reserve. One measure of the value of the Bill is its effect on the number of six-year enlistments. Since the inception of the Montgomery GI Bill, accessions with six-year or greater terms of service have increased steadily. The proportion of new accessions electing six-year terms has increased from 39 percent of all Selected Reserve accessions in Fiscal Year 1985, to 67 percent of all accessions in Fiscal Year 1989. Not all of this increase is attributable to the Montgomery GI Bill, since enlistment bonuses and general economic conditions also play a role in these decisions. There is no doubt, however, that it is a

significant factor. As of May, 1990, 43 percent of all members eligible for educational assistance had actually applied for benefits. This is up from 35 percent at the end of Fiscal Year 1988, and 39 percent at the end of Fiscal Year 1989.

Closely related as a measure of the impact of the Montgomery GI Bill is its effect on attrition. An analysis of available data indicates that the Montgomery GI Bill plays a particularly important role with respect to retention, particularly for the first six years of a Reservist's military affiliation. The Sixth Quadrennial Review of Military Compensation compared continuation rates for those participating in the Montgomery GI Bill with those not participating and found significantly higher continuation rates for the Montgomery GI Bill participants.

Unlike previous GI Bill programs and the Montgomery GI Bill for the active components, the Educational Assistance program for the Selected Reserve provides for receipt of benefits before the qualifying military (Selected Reserve) service is complete. This type of "real-time" program, in which the individual Reservist literally recertifies eligibility through attendance at monthly drills, requires a system that can monitor both the educational program (a traditional function for the Department of Veterans Affairs (DVA)), and continued satisfactory performance in the Selected Reserve (the responsibility of the Department of Defense). Because of the mobility of Reservists, which often leads not only to changes in the member's Selected Reserve unit of

assignment but also to the transfer of members from one Reserve component to another, as well as the need to have a means for rapidly conveying eligibility data from DoD to DVA, it was clear early on that only an automated reporting system would meet the needs of the program. The Defense Manpower Data Center (DMDC) in Monterey, California continues to serve as a central clearinghouse for program data used by DoD and DVA.

Procedurally, it is DoD policy that members be given their Notice of Basic Eligibility (NOBE) immediately upon completion of Initial Entry Training, providing they meet all other eligibility criteria. The DVA pays benefits based on presentation of the NOBE for a period of 120 days. If the individual is not in the data base after 120 days, payments may be stopped. However, an expedited correction procedure is used to authorize eligibility on short notice for an additional 180 day period. This serves to keep payments on schedule and ensure that unwarranted suspension of payment actions are not taken.

The amount of time it takes from date of issue of the NOBE to entry of the appropriate data in the automated eligibility database is important. However, delay here should not affect the receipt of benefits in any way unless it extends beyond 120 days, and the expedited correction procedure provides another 180 days in which to get correct data into the system.

Since the Montgomery GI Bill for the Selected Reserve provides participants the opportunity to receive benefits prior to completion of the service on which the benefits are contingent, fiduciary control requires a system to track the member's continued satisfactory participation in the Selected Reserve. This is true even if a member has completed the requisite six year service agreement, since payments must stop when an individual ceases participation in the Selected Reserve. It is essential, therefore, that the member's status as reflected in data maintained by the DoD be consistent with the status contained in data maintained by the DVA.

The Department is convinced that the existing systems, guidance and procedures are sound and adequate to ensure timely payments and adequate fiduciary control. We know, however, that problems still remain in the administration of the Montgomery GI Bill for the Selected Reserve. In addition to systems improvements discussed herein, we are also taking action to insure that responsible personnel in the field receive adequate training on program administration and on data reporting procedures and ensure that Reservists who experience a problem know where to turn for immediate assistance. It appears that many now take their problems to their school, rather than to the appropriate persons in their unit and Reserve component.

You also asked, Mr. Chairman, for our views on the effectiveness of the program as a readjustment benefit. As you know, the

Reserve program is entirely funded by the Department of Defense and is non-contributory. While most would agree that educational assistance programs have general value for the nation and individual participants, the specific purpose of the program for the Selected Reserve, as stated in section 2131(a) of title 10, is "to encourage membership in units of the Selected Reserve." The active component program which provides supplemental benefits for members who affiliate with the Selected Reserve after at least two years of active duty does provide a substantial readjustment benefit. This program provides educational assistance combined with the economic rewards and integration into the local community which are benefits associated with service in the Selected Reserve.

Program Development in Fiscal Year 1990

As noted previously, the purpose of the Montgomery GI Bill for the Selected Reserve is to encourage membership. The Selected Reserve participant is eligible for immediate educational assistance and continued membership is a condition of continued assistance. This feature of the Montgomery GI Bill for the Selected Reserve is critically important to its success, but it does complicate program administration.

Because of the complexity of program administration associated with the provision of educational assistance to Reservists in the seven National Guard and Reserve components (including the Coast Guard Reserve), continued emphasis has been placed on improvements to administrative procedures and automated systems. System en-

hancements put in place in Fiscal Year 1988 and subsequently refined include redesign of the Montgomery GI Bill data file, increased data storage space, improved response time, and the capture of historic service data for Selected Reserve members whose eligibility for educational assistance is based upon prior active duty service.

Program emphasis has been placed on accurate and prompt payments to those who are participating satisfactorily. The accuracy of the automated reports of eligibility from the Reserve components is improving. While the quality of the data has improved, the expedited correction procedures discussed previously remain in place so that members eligible for assistance are not erroneously denied timely payments.

The Department of Defense has been successful in reducing the number of cases where eligibility status is reported as "unknown" in the Montgomery GI Bill data base, and to increase the speed of eligibility reporting. Figures 1 and 2 show the reduction in the number of unknowns in the data reported by the Reserve components. The percentages shown reflect the total Selected Reserve population for each component in each of the two categories of "unknown" and "eligible". Total unknowns for the six DoD Reserve components dropped from 249,163 in September 1986, to 23,565 in May 1990. In 1986, the eligibility status of 22 percent of the population was unknown. Today it is only two percent.

Selected Reserve Personnel
By Montgomery GI Bill Eligibility Status
As of September 30, 1986

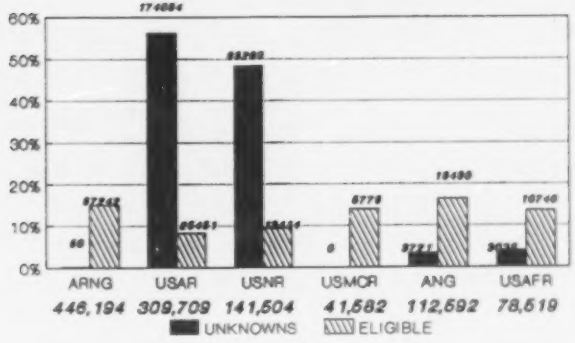

Figure 1

Selected Reserve Personnel
Percent Eligible & Unknown by Component
As of May 31, 1990

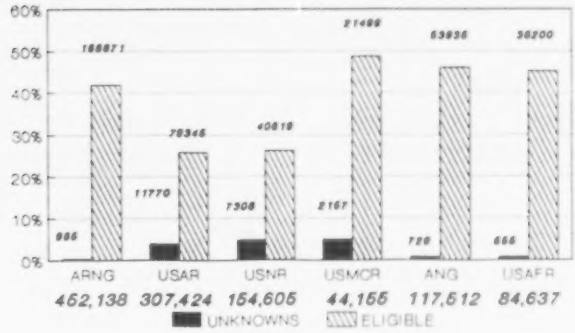

Figure 2

The Department has devoted considerable resources to the promotion of the Montgomery GI Bill Reserve program. The Joint Recruiting Advertising Program (JRAP) budget for Fiscal Year 1989 was approximately $26.3 million, of which approximately $19.4 million was for television spots and collateral materials including coverage for the Montgomery GI Bill. The media experts estimate these television spots will reach 93 percent of American households with television sets. The JRAP also funds a monthly mailing to between 120,000 and 140,000 young men recently registered with the Selective Service, explaining that the opportunities of the active forces, the Reserves, and the Montgomery GI Bill Reserve are great ways to pay for further education. Also included in the JRAP budget is about $1 million for Futures magazine, sent to most high school seniors, and featuring advertising from the Armed Forces.

While program emphasis has been on accuracy and efficiency in providing benefits to those members who are participating satisfactorily, DoD has also established initial procedures for implementation of the recoupment of payments from those members who have been identified as unsatisfactory participants. In August 1989, DMDC began producing listings of reservists who are receiving, or have received, Montgomery GI Bill educational benefits, and are coded as unsatisfactory participants in the RCCPDS. Based upon the data entered by the Services, the DMDC initially calculated the refund amount according to the formula described in chapter 106 of title 10, United States Code. This information, including the last

reported Reserve affiliation of the individual, has been provided to the Services.

This initiative is still in the data collection and verification stages. Only the Naval Reserve has collected penalties on a test group to date. While we are proceeding with the initiative, it is clear that most individuals subject to recoupment will also be subject to recoupment initiated by the DVA for overpayments. From a management and public policy perspective it does not appear desirable for two Federal agencies to bring separate recoupment actions against individuals for monies owed in relation to their participation in one program.

Summary of Montgomery GI Bill Program Data as of May 31, 1990

Tables 1 through 3 below provide data on program eligibles and participants through the end of May 1990. The percentage of eligibles actually applying for educational assistance increased in all components during the past year.

TABLE 1

Montgomery GI Bill Selected Reserve
New Participants by Component by Fiscal Year

Reserve Component	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990 to date	Total
Total Selected Reserve	30,921	31,917	44,636	47,769	26,803	183,699
Army National Guard	13,707	12,090	16,673	18,525	10,614	72,336
Army Reserve	6,298	7,983	12,479	11,061	6,755	44,907
Naval Reserve	2,435	3,472	5,094	5,199	2,842	19,174
Marine Corps Reserve	852	2,017	3,494	4,232	2,062	12,707
Air National Guard	5,251	3,996	3,697	5,288	2,325	20,838
Air Force Reserve	2,179	2,078	2,841	3,068	1,993	12,275
Coast Guard Reserve*	199	281	358	396	212	1,462

* The Coast Guard Reserve, which is part of the Department of Transportation during peacetime, is included in Tables 1 through 3 of this report so as to provide a complete picture of Reserve component experience with the Montgomery GI Bill.

TABLE 2

Montgomery GI Bill Selected Reserve
Total Eligibles by Component by Fiscal Year

Reserve Component	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990 to date
Total Selected Reserve	118,502	234,048	308,559	395,326	426,513
Army National Guard	63,231	100,022	139,197	179,001	188,871
Army Reserve	15,463	45,674	57,484	72,023	79,345
Naval Reserve	10,607	23,674	28,701	37,786	40,619
Marine Corps Reserve	4,676	10,587	13,738	19,284	21,499
Air National Guard	15,567	32,233	40,911	48,707	53,935
Air Force Reserve	8,606	21,114	27,197	34,484	38,200
Coast Guard Reserve	352	744	1,331	4,041	4,044

TABLE 3

Montgomery GI Bill Selected Reserve
Percentage of Participants to Eligibles
As of May 31, 1990

Reserve Component	Eligibles	Participants	Percentage of Participation	
			FY 89	FY 90
Total Selected Reserve	426,513	183,699	39.7	43.1
Army National Guard	188,871	72,336	34.5	38.3
Army Reserve	79,345	44,907	53.0	56.6
Naval Reserve	40,619	19,174	43.2	47.2
Marine Corps Reserve	21,499	12,707	55.2	59.1
Air National Guard	53,935	20,838	38.0	38.6
Air Force Reserve	38,200	12,275	29.8	32.1
Coast Guard Reserve	4,044	1,462	30.9	36.2

The percentage of participation shown in Table 3 provides a measure of the ratio of those who are currently eligible for Montgomery GI Bill benefits to those who have actually applied to the DVA for benefits. This is quite different from the enrollment rate reported for the active components. Since all Selected Reservists can avail themselves of program benefits, there is not a

single base on which to calculate an enrollment percentage in the Reserve program. We are, however, looking at other ways of measuring Reserve participation which can improve our ability to measure change in the success of the Reserve component's in promoting program benefits.

Table 4 identifies the benefit level of participants by Reserve component.

TABLE 4

Montgomery GI Bill Selected Reserve
Level of Individual Participation by Component

Reserve Component	Full-Time	3/4 Time	1/2 Time	Percentage of Full or 3/4
Total Selected Reserve *	82,187	18,000	21,209	82.5
Army National Guard	35,448	6,607	7,018	85.7
Army Reserve	19,260	4,130	4,351	84.3
Naval Reserve	7,696	1,983	2,513	79.4
Marine Corps Reserve	6,741	1,489	1,208	87.2
Air National Guard	8,973	2,313	3,761	75.0
Air Force Reserve	4,049	1,477	2,348	70.2
Coast Guard Reserve	20	1	10	67.7

* Participants who received benefits while attending on a less than half time basis are not shown. Eligibility for less than half time study began in November 1988. The Coast Guard Reserve is not included due to the extent of missing data on level of participants.

Actual and projected costs of the program from Fiscal Year 1985 through the budget year Fiscal Year 1991, are portrayed in Table 5, below.

TABLE 5

Montgomery GI Bill Selected Reserve
Annual Obligations
(Current $ in Thousands)

Actual FY 1985	Actual FY 1986	Actual FY 1987	Actual FY 1988	Actual FY 1989	Budget FY 1990	Budget FY 1991
19,862	118,965	160,417	107,500	81,600	75,200	74,800*

* As noted below the DoD estimates that actual costs in Fiscal Year 1991 will be $16.6 to $20 million greater than those budgeted due to expanded educational benefits available through the vocational/technical program.

In July 1989, the DoD Education Benefits Board of Actuaries reevaluated the per capita normal costs charged to the Services. Based upon revised participation rates, the estimated obligations to the Education Benefits Fund for Fiscal Year 1989 and beyond were reduced.

The Montgomery GI Bill in Fiscal Year 1991 and Beyond

Assistance for Vocational-Technical Usage Programs

Because of the modifications to the Montgomery GI Bill made last year by section 642 of Public Law 101-189, individuals who become entitled to benefits by virtue of an enlistment or agreement to serve in the Selected Reserve program for six years after September 30, 1990 will be immediately eligible to receive educational assistance for the vocational-technical programs provided they have completed the requisite initial period of active duty for training. Selected Reservists already entitled to educational assistance for undergraduate studies will not be eligible for vocational technical training absent an agreement to serve for six years after September 30, 1990.

The actual cost to the National Guard and Reserve components to pay for the expanded benefit can only be estimated at this point. It will be based on two factors. The first is the normal cost for the chapter 106 program as revised to incorporate the present value of future benefits for education assistance for those who become entitled to assistance on or after October 1, 1990. This normal cost will be established later this year by the Secretary of Defense following completion of an actuarial valuation and review of that valuation and the status of the Fund by the Department of Defense Education Benefits Board of Actuaries.

The second factor is the actual number of Reservists who become entitled to educational assistance during Fiscal Year 1991. The law requires the Secretary of Defense to pay into the Fund each month the amount that, based upon the most recent actuarial valuation of the program, is equal to the actual total normal cost for the preceding month. The actual total normal cost is the normal cost established for each Reserve component multiplied by the actual number of persons who become entitled to educational assistance by enlisting, reenlisting, extending an enlistment, or, in the case of an officer, agreeing to serve beyond any other period of obligated service, for not less than six years.

Based on our estimate of the increase in normal cost for each Reserve component and on the number of six-year contracts which have been included in the President's Budget for Fiscal Year 1991,

the estimated minimum normal cost contribution for all Reserve components would be $16.8 million. If six-year contracts were to increase by 20 percent above the budget estimates because of the draw of the vocational-technical benefits, the total Fiscal Year 1991 cost increase to the Department of Defense would be $20 million. These costs, which are not discretionary, could not be included in the President's Budget for Fiscal Year 1991 due to the timing of the enactment of the expanded benefit.

The Department of Defense and the Department of Veterans Affairs are preparing for the implementation of assistance for vocational-technical programs under the Montgomery GI Bill for the Selected Reserve. In addition to publicizing the added benefit, administrative changes, including the development of new data elements to report all six-year Selected Reserve obligations incurred on or October 1, 1990, are required.

The projected benefits of payments for vocational-technical training under the Montgomery GI Bill for the Selected Reserve may be expected to be similar to those experienced with the current program in terms of value received for dollars expended. The major difference expected is a consequence of the fact that vocational-technical programs appear to have more appeal to members with longer service. We estimate that more than half of those who participate will have over six years of military service. While we expect these educational assistance programs to result in more six-year contracts and longer service for participants, the great-

est value of the benefit is in the effect on recruitment and in the reduction of attrition among members with less military service.

Program Administration

The State Headquarters of the National Guard and the Major Army Reserve Commands have now established Education Services Officers to administer all educational programs including the Montgomery GI Bill. Centralizing Montgomery GI Bill Reserve data at levels closer to the unit and the individuals eligible for benefits, will help to speed the transmission of correct data to the DMDC and the DVA. It will also serve to identify a specific agency within the military chain-of-command to contact if eligibility problems do arise.

The Military Departments have developed and are implementing training programs to extend throughout their personnel systems to ensure proper emphasis is placed on quality and timeliness of data entry and transmittal. Particular emphasis is being placed on training at the input level so that the individuals at the user level are aware of the importance of accuracy and the implications of erroneous information as it passes throughout the system and the impact it would have on the individual.

Mr. Chairman, I believe this statement demonstrates the enthusiasm and support the Department and the Services have for the Montgomery GI Bill for the Selected Reserve. As a general entitlement, available to all qualified reservists in any specialty or

type unit, the program is successful because new recruits and Reservists perceive it to be genuinely beneficial to both the Reserve and the individual. The Montgomery GI Bill for the Selected Reserve has worked extremely well in conjunction with the targeted Selected Reserve incentive programs aimed at specific units and skills. The Department believes that the program is working effectively, and will continue to be effective as a general entitlement.

Mr. Chairman, this completes my prepared testimony. I thank you again for the opportunity to appear before the Subcommittee.

APPENDIX

TABLE 1A

PAY GRADE OF MONTGOMERY GI BILL-RESERVE APPLICANTS

BY COMPONENT (AS OF MAY 1990)

	GRADE	ARNG	USAR	USNR	USMCR	ANG	USAFR	CGR	TOTAL
ENLISTED	E1	374	487	410	597	46	17	1	1932
	E2	3105	4530	2239	1195	856	230	156	12311
	E3	10987	8754	7053	6280	2130	1004	179	36387
	E4	29434	16576	4522	3397	8403	3309	813	66454
	E5	14326	8110	3374	1045	5852	5029	181	37917
	E6	3832	1936	1192	138	2149	1750	75	11072
	E7	601	788	229	32	557	552	21	2780
	E8	172	198	32	6	120	82	6	616
	E9	38	23	7	1	24	27	3	123
	UNK		4	5			58		67
						ENLISTED TOTAL			169659
WARRANT OFFICER	W1	118	37	0	1	0	0	0	156
	W2	231	63	1	4	0	0	0	299
	W3	104	14	3	5	0	0	0	126
	W4	42	8	1	0	0	0	0	51
						WARRANT OFFICER TOTAL			632
OFFICER	01	5940	2177	49	2	331	101	5	8605
	02	1847	905	30	1	183	68	12	3046
	03	874	206	17	3	133	28	7	1268
	04	183	60	9	0	43	15	3	313
	05	84	29	1	0	8	4	0	126
	06	43	2	0	0	3	1	0	49
	07	1	0	0	0	0	0	0	1
						OFFICER TOTAL			13408
GRAND TOTAL		72336	44907	19174	12707	20838	12275	1462	183699

FINAL RECORD VERSION

STATEMENT BY

LIEUTENANT GENERAL ALLEN K. ONO

DEPUTY CHIEF OF STAFF FOR PERSONNEL

U. S. ARMY

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING & EMPLOYMENT

COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

SECOND SESSION, 101ST CONGRESS

THE MONTGOMERY GI BILL (MGIB)

12 JULY 1990

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE

STATEMENT OF THE

DEPUTY CHIEF OF STAFF FOR PERSONNEL

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to appear before your committee on behalf of the Army and, in particular, the thousands of soldiers who have or will benefit from the Montgomery GI Bill.

The Bill has been a tremendous success story in the Army. The number of soldiers who have elected to participate in this great program are a tribute to its attraction and wisdom. It not only has helped to improve the Army, but also American society at large.

The Montgomery GI Bill maintains the commitment made to our Service Members beginning at the end of World War II. That is, to assist young soldiers and former soldiers in the pursuit of their chosen vocation.

I commanded the Army Recruiting Command prior to becoming the Deputy Chief of Staff for Personnel. I can tell you that the Montgomery GI Bill contributed significantly to our ability to recruit quality soldiers for the Active Army, Army National Guard and US Army Reserve. In the last few years, with the help of your Committee, we have made significant changes to the program to make it even more attractive to soldiers. These changes have been welcomed and useful. Any further changes must be carefully weighed against the Montgomery GI Bill's obvious success as a recruiting incentive.

The Army has always been the Montgomery GI Bill's biggest supporter. Recently, we joined President Bush, Representative Montgomery and the other armed Services in celebrating the one millionth taker of the Montgomery GI Bill. I am proud to say almost half of those participants, 428,000, were active Army soldiers.

This statistic points to the awesome and eloquent fact that since the Montgomery GI Bill went into effect, 86 percent of all eligible active duty soldiers have elected to participate. What is more indicative of the program's success in the Army is the trend of increased and sustained enrollment.

The Montgomery GI Bill has been an extraordinary recruiting incentive. Together with the Army College Fund, it is the single most important reason for our ability to maintain the quality of personnel joining the Army.

We advertise it, we train our recruiters on it, and we explain to all our recruits the tremendous advantages of the Bill. Our reception battalions carefully explain the Bill and, as a result, I am proud to report to you that over 90 percent of all new regular Army accessions are enrolling in the Montgomery GI Bill. In fact, our monthly rates have exceeded 90 percent since June 1987, a total of 36 months. This is clear testimony that our recruiters are using this incentive and that the new soldiers want the Montgomery GI Bill.

We have experienced similar success within the Reserve Components. As of April 30, 1990, 71,801 Army National Guardsmen and 44,583 Army Reservists have participated in the Montgomery GI Bill. Since the program has become available, we have seen a marked increase in six year term of service reserve enlistments and reenlistments, which is required to establish eligibility for the Montgomery Gi Bill. Today over 62 percent of the ARNG and 85 percent of the USAR have incurred a six year obligation.

The expansion of educational opportunities, especially vocat onal and technical training as authorized in Public Law 101-189, is effective October 1, 1990. We anticipate this program will enhance the quality of our reserve forces and provide our soldiers who were not previously inclined to pursue a baccalaureate program with new incentives to take advantage of educational opportunities afforded them.

I cannot emphasize enough that any changes to the Bill must be carefully weighed. If the Bill becomes too cumbersome to effectively administer, if it becomes so complex that the individual soldier cannot understand his or her benefits, or if the administrative cost becomes prohibitive, then the Army cannot support the changes. In short, the Army needs the Montgomery GI Bill to recruit quality soldiers.

I appreciate the opportunity to appear before the Committee and shall be happy to answer any questions you may have on this subject.

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VETERAN'S AFFAIRS COMMITTEE

STATEMENT OF

VICE ADMIRAL J. M. BOORDA, U. S. NAVY

DEPUTY CHIEF OF NAVAL OPERATIONS

FOR

MANPOWER, PERSONNEL AND TRAINING

AND

CHIEF OF NAVAL PERSONNEL

BEFORE THE

EDUCATION, TRAINING AND EMPLOYMENT SUBCOMMITTEE

OF THE

HOUSE VETERAN'S AFFAIRS COMMITTEE

ON

MONTGOMERY GI BILL

12 JULY 1990

NOT FOR PUBLICATION UNTIL
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VETERAN'S AFFAIRS COMMITTEE

MISTER CHAIRMAN AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE, I AM PLEASED TO HAVE THE OPPORTUNITY TO APPEAR BEFORE THIS SUBCOMMITTEE TODAY TO REPORT ON THE IMPLEMENTATION AND EFFECTIVENESS OF THE MONTGOMERY GI BILL, WITH PARTICULAR EMPHASIS ON THE TIMELY AND EFFICIENT DELIVERY OF EDUCATIONAL BENEFITS. I AM A SATISFIED CUSTOMER HAVING OBTAINED MY COLLEGE DEGREE UNDER AN EARLIER VERSION OF THE GI BILL.

FIRST I WOULD LIKE TO THANK YOU FOR ALL YOUR EFFORTS IN MAKING THIS PROGRAM WHAT IT IS TODAY. THERE HAVE BEEN MANY CHANGES TO THE MONTGOMERY GI BILL SINCE IT WAS FIRST ENACTED - ALL WITH THE INTENT TO MAKE IT BETTER AND MORE EQUITABLE FOR OUR YOUNG PEOPLE. THE MONTGOMERY GI BILL IS A VIABLE PROGRAM FOR THE NAVY AS EVIDENCED BY OUR FY-90 CUMULATIVE ENROLLMENT OF 77 PERCENT. AS ADMIRAL DONOVAN REPORTED AT THE LAST HEARING BEFORE THIS SUBCOMMITTEE, OUR RECRUITERS ARE ON-BOARD WITH THE GI BILL, OUR PRESENTATIONS AT RECRUIT TRAINING ARE OF HIGH QUALITY, AND HAVING JUST CELEBRATED THE FIFTH ANNIVERSARY OF THE MONTGOMERY GI BILL, WE HAVE A PROGRAM THAT HAS NATIONWIDE RECOGNITION. WE'VE USED OUR LIMITED ADVERTISING BUDGET TO ENSURE THAT YOUNG PEOPLE ARE AWARE OF THE CONSIDERABLE BENEFITS AVAILABLE TO THEM.

BECAUSE OF MAJOR SYSTEM CHANGES WE'VE MADE OVER THE PAST TWO YEARS (AUTOMATIC PAYROLL REDUCTIONS AND AUTOMAT.? ENROLLMENT IN THE PERSONNEL SYSTEM), WE HAVE VIRTUALLY ENSURED ONE HUNDRED PERCENT ACCURATE REPORTING OF MEMBERS' GI BILL STATUS TO THE DEPARTMENT OF VETERANS AFFAIRS (DVA). UNFORTUNATELY, THIS WAS NOT THE CASE WHEN THE PROGRAM WAS FIRST IMPLEMENTED IN JULY 1985. REGRETTABLY MANY OF OUR SAILORS WHO ENROLLED IN THE GI BILL DURING THE FIRST YEARS OF THE PROGRAM DID NOT HAVE THAT INFORMATION DOCUMENTED IN THE AUTOMATED SYSTEM. WE MADE EVERY EFFORT TO UPDATE OUR SYSTEMS LAST YEAR DURING THE "OPEN PERIOD", BUT THERE ARE THOSE WHO LEFT WITHOUT PROPER GI BILL ENROLLMENT INFORMATION. WE ARE COMMITTED TO TAKING CARE OF OUR PEOPLE. TO DO THIS, WE HAVE ESTABLISHED A CUSTOMER SERVICE OFFICE WITH A 1-800 NUMBER TO HELP THOSE APPLYING FOR BENEFITS. WE MAINTAIN PERSONNEL RECORDS IN-HOUSE FOR UP TO 18 MONTHS THUS ALLOWING EASY ACCESS TO RECORDS NEEDED TO VERIFY ELIGIBILITY AND ENROLLMENT. THROUGH AN ON-LINE COMMUNICATION PACKAGE WE CAN EXPEDITIOUSLY UPDATE THE DEFENSE MANPOWER DATA CENTER GI BILL DATA BASE FOR TRANSFER TO THE DVA. I RECENTLY APPROVED A COMPREHENSIVE INSTRUCTION ON ALL EDUCATIONAL BENEFIT PROGRAMS WHICH CAN BE USED BY OUR CAREER COUNSELORS AND EDUCATION PERSONNEL TO HELP OUR SAILORS UNDERSTAND THEIR BENEFITS. WE ALSO PLAN TO DISTRIBUTE NAVY-WIDE THE PAMPHLET THAT THE DVA IS COMPILING WHICH WILL PROVIDE OUR SEPARATING SAILORS WITH A HOW-TO GUIDE IN APPLYING FOR THEIR BENEFITS. I FIRMLY BELIEVE THAT WE HAVE MADE THE NECESSARY PREPARATIONS TO ENSURE OUR NAVY VETERANS RECEIVE THE TIMELY SERVICE THEY DESERVE.

LAST YEAR LEGISLATIVE CHANGES CONCENTRATED ON THE SELECTED RESERVE GI BILL, AND WE GREATLY APPRECIATE THE EXPANSION OF THE APPROVED PROGRAMS OF EDUCATION THAT WILL GO INTO EFFECT LATER THIS YEAR. WITH THE ACTIVE DUTY PROGRAM, HOWEVER, THERE REMAIN SOME ADDITIONAL MODIFICATIONS I WOULD ASK YOU TO CONSIDER TO FINE-TUNE THE PROGRAM AND MAKE IT EVEN BETTER.

FIRST, IN ADDITION TO ALLOWING PRORATED BENEFITS FOR MEMBERS SEPARATING EARLY FOR PRE-EXISTING MEDICAL CONDITIONS OR BECAUSE OF A REDUCTION IN THE SIZE OF THE SERVICES, ALLOW THESE SAME PRORATED BENEFITS FOR MEMBERS SEPARATING EARLY TO ATTEND ROTC OR BY REASON OF BEING A SOLE SURVIVING CHILD.

SECOND, A LEGISLATIVE CHANGE ENACTED TWO YEARS AGO RECOGNIZED THAT TIME SPENT IN THE MILITARY PRIOR TO A DISCHARGE FOR ERRONEOUS OR DEFECTIVE ENLISTMENT SHOULD NOT BE COUNTED AS THE MEMBERS' INITIAL OBLIGATION IF THEY LATER REENTER THE MILITARY. WE WOULD LIKE TO SEE THIS EXPANDED TO INCLUDE PEOPLE DISCHARGED EARLY FOR MEDICAL REASONS SO THAT THEY WOULD BE ELIGIBLE FOR ENROLLMENT IN THE GI BILL IF THEY LATER REENTER THE MILITARY. A RELATED CATEGORY OF PERSONNEL WHO DESERVE THE SAME TREATMENT ARE RESERVISTS ORDERED TO ACTIVE DUTY FOR SHORT PERIODS OF TIME IN SUPPORT OF THE ACTIVE DUTY FORCE. UNDER CURRENT LAW

THESE MEMBERS ALSO BECOME PERMANENTLY INELIGIBLE FOR THE GI BILL. THEY SHOULD BE ALLOWED TO ENROLL IN THE PROGRAM IF THEY LATER ENTER INTO A FULL ACTIVE DUTY CONTRACT. THIS WAS DISCUSSED AND UNANIMOUSLY SUPPORTED AT THE HEARING BEFORE THIS SUBCOMMITTEE LAST SEPTEMBER, AND I BELIEVE WE SHOULD MAKE IT RIGHT FOR THESE DEDICATED RESERVISTS.

MISTER CHAIRMAN, THIS COMPLETES MY PREPARED STATEMENT. I THANK YOU ONCE AGAIN FOR THE OPPORTUNITY TO APPEAR BEFORE THIS SUBCOMMITTEE AND WOULD BE PLEASED TO ANSWER ANY QUESTIONS.

STATEMENT

FOR

COMMITTEE ON VETERANS' AFFAIRS

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: MONTGOMERY G. I. BILL

STATEMENT: MAJOR GENERAL LARRY D. DILLINGHAM
ASSISTANT DEPUTY CHIEF OF STAFF FOR PERSONNEL
HEADQUARTERS, U. S. AIR FORCE

JULY 1990

NOT FOR PUBLICATION UNTIL RELEASED BY THE
HOUSE VETERANS' AFFAIRS COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES

MR CHAIRMAN AND MEMBERS OF THE COMMITTEE, it is indeed a privilege to appear before you. Your efforts over the years have led to improved benefits for our Armed Forces which continue to assist us in recruiting and retaining only top quality men and women. The Montgomery G. I. Bill exemplifies your very fine commitment to excellence. Speaking for all the men and women of the United States Air Force, I want to thank you for your interest and action. Although we have no way to solidly quantify the retention benefits of the Montgomery G. I. bill, intuitively we believe the program has had a positive influence by attracting and retaining bright, young people. Our current enrollment rate of 77 percent, up from 47 percent in 1985, underscores the value of the Bill. Through an extensive publicity campaign, letters to parents, and outreach initiatives for new entrants' counseling, we are able to achieve greater participation. We believe continued use of these initiatives will set the foundation for future improvement in participation rates.

The "Open Window" leverage has furthered the opportunity to assist our people. Approximately 76,000 Air Force members were eligible for this second chance, and 10,579, or 14.0 percent enrolled through 30 June 1989. As our efforts to spread the word and the participation rate indicate, the Air force supports the Montgomery G. I. Bill, and it is perceived as an excellent program by our men and women.

This program has been a positive factor for the Air Force and DOD because it rewards voluntary service and raises the education level of our citizens. We have worked closely with this committee and the other Services on amendments which could improve the effectiveness of the Montgomery G. I. Bill. In this regard, you have requested that I comment today on the Air Force's position with respect to the effectiveness of the program as a readjustment benefit.

In preparation for the upcoming force level adjustments, the Montgomery G. I. Bill will again provide the assistance needed for those seeking education and training in preparing themselves for

new careers in the private sector. The availability of the Montgomery G. I. Bill will be essential in helping our people adjust to the realities of an ever-changing environment.

Thank you for the opportunity to address this committee on this important issue. We are confident the Montgomery G. I. Bill will continue to be an even larger enhancement for the recruitment and retention of high quality young people for the Air Force, as well as readjustment benefits.

I would be pleased to respond to your questions.

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VETERANS AFFAIRS COMMITTEE

STATEMENT OF

LIEUTENANT GENERAL NORMAN H. SMITH

UNITED STATES MARINE CORPS

DEPUTY CHIEF OF STAFF FOR

MANPOWER AND RESERVE AFFAIRS

BEFORE THE

SUBCOMMITTEE ON

EDUCATION, TRAINING AND EMPLOYMENT

ON

12 JULY 1990

CONCERNING

THE MONTGOMERY GI BILL

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE
VETERANS AFFAIRS COMMITTEE

MR. PENNY AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE:

IT IS AN HONOR TO APPEAR BEFORE YOU TODAY TO PROVIDE THE MARINE CORPS' STATUS AND VIEWS ON OUR IMPLEMENTATION AND THE EFFECTIVENESS OF THE ACTIVE DUTY MONTGOMERY GI BILL.

AT THIS TIME I WOULD ALSO LIKE TO THANK THE MEMBERS OF THIS SUBCOMMITTEE IN PARTICULAR AND ALL MEMBERS OF THE CONGRESS IN GENERAL FOR LISTENING TO AND ACTING ON RECOMMENDATIONS CONCERNING THE PROVISION OF EDUCATIONAL BENEFITS TO THE MEMBERS OF THE ACTIVE FORCES AND THE SELECTED RESERVE. THE RESULT OF YOUR EFFORTS HAS PROVEN TO BE A MOST VALUABLE INCENTIVE THAT ATTRACTS THE BEST YOUNG MEN AND WOMEN TO THE SERVICE OF THEIR COUNTRY.

THE EFFECTIVENESS OF THE MONTGOMERY GI BILL IS DETERMINED BY ITS POPULARITY AMONG NEW RECRUITS. PARTICIPATION BY OUR RECRUITS HAS INCREASED STEADILY FROM 1985. CALENDAR YEAR '89 CLOSED WITH A NEW ACCESSION PARTICIPATION RATE OF 86%; FOR A CUMULATIVE RATE OF 70%. THIS CALENDAR YEAR, JANUARY-JUNE, SHOWS A NEW ACCESSION PARTICIPATION RATE OF 84% AND A CUMULATIVE RATE OF 78%. OF ALL MARINES ON ACTIVE DUTY, APPROXIMATELY 44.2% ARE PARTICIPANTS IN THE MONTGOMERY GI BILL; 16.2% ARE ELIGIBLE FOR BENEFITS CONVERTED FROM THE VIETNAM ERA GI BILL AND 13.4% ARE COVERED BY THE VETERANS EDUCATIONAL ASSISTANCE PROGRAM.

THE EFFECTIVENESS OF THE MONTGOMERY GI BILL IS ALSO REFLECTED IN THE QUALITY OF THE YOUNG MEN AND WOMEN WHICH WE ARE ABLE TO RECRUIT. I AM PLEASED TO BE ABLE TO REPORT THAT OUR QUALITY REMAINS AS HIGH AS EVER, AS SEEN IN THE FACT THAT 96% OF THIS YEAR'S RECRUITS POSSESS A HIGH SCHOOL DIPLOMA. THE MONTGOMERY GI BILL REMAINS AN EFFECTIVE RECRUITING INCENTIVE, PARTICULARLY TO THOSE WHO RECOGNIZE THE BENEFIT OF A HIGHER EDUCATION.

THE SUBCOMMITTEE HAS EXPRESSED CONCERN FOR THE ACCURACY AND TIMELINESS IN THE COMMUNICATION OF BASIC ELIGIBILITY INFORMATION AND THE RESULTING EFFECTS ON DELIVERY OF BENEFITS. SYSTEM MODIFICATIONS TO IMPROVE THE ACCURACY AND SPEED OF ELIGIBILITY CODING AND DATA COMMUNICATION BETWEEN THE MARINE CORPS AND THE DEFENSE MANPOWER DATA CENTER HAVE BEEN MADE AND WILL CONTINUE TO

BE REFINED. WE HAVE ALSO ADDED THE ABILITY TO COMMUNICATE EXPEDITIOUS AND PERMANENT RECORD CORRECTIONS DIRECTLY TO THE DEFENSE MANPOWER DATA CENTER VIA COMPUTER. FURTHER, THE DEPARTMENT OF VETERANS AFFAIRS HAS AGREED TO MODIFY THEIR PROCEDURES TO ALLOW ADJUDICATING OFFICERS TO OVERRIDE APPARENT DATA INCONSISTENCIES AND MISSING DATA WHEN PROVIDED ELIGIBILITY SUPPORTING DOCUMENTATION BY THE MEMBER AND/OR VERIFICATION FROM THE SERVICES. WE ARE CONFIDENT THAT, WITH THESE PROCEDURES, BENEFIT DETERMINATIONS AND DELIVERY WILL IMPROVE SIGNIFICANTLY.

THE MONTGOMERY GI BILL, THROUGH THIS COMMITTEE'S INTEREST AND ACTION, HAS BEEN STRENGTHENED AND WE APPRECIATE YOUR EFFORTS ON THE BEHALF OF THE SERVICES AND THEIR MEMBERS. THE MONTGOMERY GI BILL HAS DEMONSTRATED ITS WORTH AS A RECRUITING INCENTIVE AND IS SEEN AS A VALUABLE READJUSTMENT BENEFIT. IT HAS NOT, HOWEVER, SHOWN ITSELF AS A TOOL AIDING RETENTION. IN CLOSING MY TESTIMONY BEFORE YOU, I ASK THAT YOU CONSIDER TWO RECOMMENDATIONS FOR CHANGE THAT WOULD ADD TO ITS VALUE IN ALL THREE OF THESE AREAS. FIRST, PROVIDE SOME MECHANISM IN THE LAW TO ADJUST THE BASIC BENEFIT AMOUNT TO TRACK WITH SOME MEASURE OF THE COST OF AN EDUCATION. IF THE EDUCATIONAL BENEFITS PROVIDED BY THE MONTGOMERY GI BILL ARE TO REMAIN ATTRACTIVE, THEY NEED TO KEEP PACE WITH THE EXPENSE THEY WERE DESIGNED TO HELP DEFRAY. SECOND, PERMIT AT REENLISTMENT A MEMBER, WHO HAS PREVIOUSLY DECLINED ENROLLMENT, THE OPPORTUNITY TO REVERSE THIS DECISION. THIS SMALL CHANGE WOULD BE A SIGNIFICANT REENLISTMENT INCENTIVE TO THAT PERSON, WHO ON ENTERING THE SERVICE, ELECTED TO DECLINE ENROLLMENT AND, WHO AFTER THREE OR FOUR YEARS OF MATURATION, REALIZES THE VALUE OF A HIGHER EDUCATION.

MR. CHAIRMAN, THIS CONCLUDES MY TESTIMONY ON THE ACTIVE DUTY MONTGOMERY GI BILL. I WOULD BE PLEASED TO ANSWER ANY QUESTIONS THAT YOU OR THE OTHER MEMBERS OF THIS COMMITTEE MIGHT HAVE.

NOT FOR PUBLICATION UNTIL
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VETERANS AFFAIRS COMMITTEE

STATEMENT OF

LIEUTENANT GENERAL NORMAN H. SMITH

UNITED STATES MARINE CORPS

DEPUTY CHIEF OF STAFF FOR

MANPOWER AND RESERVE AFFAIRS

BEFORE THE

SUBCOMMITTEE ON

EDUCATION, TRAINING AND EMPLOYMENT

ON

12 JULY 1990

CONCERNING

THE MONTGOMERY GI BILL - RESERVE

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE
VETERANS AFFAIRS COMMITTEE

MR. PENNY AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE:

IT IS AGAIN AN HONOR TO APPEAR BEFORE YOU TODAY; THIS TIME TO PROVIDE THE MARINE CORPS' STATUS AND VIEWS ON OUR IMPLEMENTATION AND EFFECTIVENESS OF THE RESERVE MONTGOMERY GI BILL.

THE EFFECTIVENESS OF THE MONTGOMERY GI BILL IS SEEN IN THE PROPORTION OF NEW SIX YEAR CONTRACTS, PERCENTAGE OF NEW ACCESSIONS WITH HIGH SCHOOL DIPLOMAS, AND THE NUMBER OF MEMBERS USING THEIR EDUCATIONAL BENEFITS. SINCE IMPLEMENTATION OF THE MONTGOMERY GI BILL, WE HAVE SEEN THE PROPORTION OF NEW SIX-YEAR CONTRACTS RISE FROM 83% IN FY 1986 TO 94% IN FY 1989. NEW SIX-YEAR CONTRACTS IN FY 1990 ARE, THUS FAR, RUNNING AT 97%. THE QUALITY OF THE MEN AND WOMEN ATTRACTED TO THE SELECTED MARINE CORPS RESERVE IS REFLECTED IN THE VERY HIGH PERCENTAGES THAT ENTER AS HIGH SCHOOL GRADUATES: 98% IN 1989 AND 96% FOR FY 1990 TO DATE. 49% OF THOSE ELIGIBLE ARE USING OR HAVE USED THEIR EDUCATIONAL BENEFITS. WE SEE THAT THE CITIZENS ATTRACTED TO THE SERVICE OF THEIR COUNTRY IN THE SELECTED RESERVE BY THE MONTGOMERY GI BILL ARE OF HIGH QUALITY AND COME IN SUFFICIENT NUMBER TO MEET OUR NEEDS. THE MONTGOMERY GI BILL IS A MOST EFFECTIVE RECRUITING INCENTIVE.

ACCURACY AND TIMELINESS IN THE COMMUNICATION OF BASIC ELIGIBILITY INFORMATION AND THE DELIVERY OF BENEFITS MUST BE A PRIORITY IF THE PROGRAM IS TO RETAIN ITS CREDIBILITY. WE HAVE MADE SYSTEM MODIFICATIONS TO IMPROVE THE ACCURACY AND SPEED OF ELIGIBILITY CODING AND DATA COMMUNICATION BETWEEN THE MARINE CORPS AND THE DEFENSE MANPOWER DATA CENTER AS PROMISED. OUR ABILITY TO COMMUNICATE EXPEDITIOUS AND PERMANENT RECORD CORRECTIONS DIRECTLY TO THE DEFENSE MANPOWER DATA CENTER VIA COMPUTER AND THE DEPARTMENT OF VETERANS AFFAIRS AGREEMENT TO ALLOW ADJUDICATING OFFICERS SOME FLEXIBILITY WILL SIGNIFICANTLY IMPROVE THE DELIVERY OF BENEFITS TO THOSE ENTITLED. WE WILL CONTINUE TO PUT EMPHASIS ON THIS EXTREMELY IMPORTANT ASPECT OF THE MONTGOMERY GI BILL.

THE LEGISLATIVE CHANGES MADE TO THE MONTGOMERY GI BILL HAVE

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STRENGTHENED IT AND DEMONSTRATED THIS COMMITTEE'S FLEXIBILITY IN ADDRESSING AND MEETING THE NEEDS OF THE SERVICES AND ITS MEMBERS. I ASK YOU TO CONSIDER TWO ADDITIONAL CHANGES. FIRST, AS I RECOMMENDED FOR THE ACTIVE DUTY PROGRAM, PROVIDE SOME MECHANISM IN THE LAW TO ADJUST THE BASIC BENEFIT AMOUNT TO TRACK WITH SOME MEASURE OF THE COST OF AN EDUCATION. SECOND, PROVIDE SOME MEANS TO PROTECT A MEMBER'S BENEFITS IN THE EVENT THEY SHOULD BE INVOLUNTARILY RELIEVED OF THEIR SELECTED RESERVE OBLIGATION IN CONJUNCTION WITH A REDUCTION IN FORCE OR OTHER DRAW DOWN IN RESERVE STRENGTH. SUCH PROTECTION IS AFFORDED TO MEMBERS OF THE ACTIVE COMPONENTS AND OUGHT TO BE PROVIDED TO MEMBERS OF THE RESERVE COMPONENT WHEN THESE BENEFITS ARE BEING OFFERED AS A RECRUITING INCENTIVE.

THIS CONCLUDES MY TESTIMONY, MR. CHAIRMAN. I THANK YOU FOR THE OPPORTUNITY YOU HAVE GIVEN ME. I WOULD BE PLEASED TO ANSWER ANY QUESTIONS YOU OR THE OTHER MEMBERS OF THE COMMITTEE MIGHT HAVE.

Captain Kent M. Ballantyne
Deputy Chief For Training
United States Coast Guard

Captain Kent M. Ballantyne assumed his duties as Deputy Chief for Training, Office of Personnel and Training, United States Coast Guard Headquarters, Washington, D.C. in August 1989. His last assignment was as Commanding Officer, U.S. Coast Guard Air Station, Miami, Florida, where he was heavily involved in drug interdiction; bother surface and air, and search and rescue activities.

Captain Ballantyne is a native of Baldwin, New York. Following graduation from Baldwin High School, he entered the U.S. Coast Guard Academy. He graduated from the Academy in 1963. Captain Ballantyne's first tour of duty was aboard the Coast Guard Cutter CAMPBELL, homeported in Staten Island, New York. Following two years in this assignment, he was assigned to the Naval Flight Training Command at Pensacola, Florida for basic flight training and later at Corpus Christi, Texas, where he received advance training in multi-engine aircraft. Captain Ballantyne received his "Wings of Gold" in 1967.

Operational aviation tours followed at Coast Guard Air Stations Salem, Massachusetts; Annette Island, Alaska; Mobile, Alabama; where he served as a helicopter instructor and also as Head of the helicopter flight simulator branch; Corpus Christi, Texas; where he served as Operations Officer, and subsequently as Executive Officer. Additional assignments were as Commanding Officer of Air Station Houston, Texas; Training Officer and Executive Officer of Training Center, petaluma, California; and District Inspector of the 12th Coast Guard District, San Francisco, California. He is qualified in both fixed wing and rotary wing aircraft.

He is married to the former Maree Anne Canine of Corpus Christi, Texas. They have two sons, Christopher and Joel.

DEPARTMENT OF TRANSPORTATION

U. S. COAST GUARD

STATEMENT OF CAPTAIN KENT M. BALLANTYNE

ON THE MGIB ACTIVE DUTY EDUCATIONAL ASSISTANCE PROGRAM

(CHAPTER 30, TITLE 38, U. S. CODE)

MR. CHAIRMAN, DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE, I AM CAPTAIN KENT M. BALLANTYNE, DEPUTY CHIEF FOR TRAINING FOR THE COAST GUARD. IT IS A PRIVILEGE FOR ME TO APPEAR BEFORE YOU TODAY TO DISCUSS THE MONTGOMERY G. I. BILL.

I WOULD LIKE TO THANK THIS COMMITTEE FOR THE LEGISLATIVE CHANGES THAT IMPROVED THE MONTGOMERY G. I. BILL PROGRAM FOR OUR PERSONNEL.

THE MONTGOMERY G. I. BILL IS AN OUTSTANDING AND VERY EFFECTIVE RECRUITMENT TOOL WHICH HAS BEEN ENTHUSIASTICALLY RECEIVED BY OUR NEW RECRUITS. THEIR ENTHUSIASM IS EVIDENCED BY A HIGH PARTICIPATION RATE. FOR THE PAST YEAR, OF THE 3,096 RECRUITS ELIGIBLE FOR THE PROGRAM, 3,000 (97 PER CENT) ARE PARTICIPATING.

MISTER CHAIRMAN, I THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE THIS SUBCOMMITTEE, AND LOOK FORWARD TO WORKING WITH YOU TO SEEK WAYS TO MAKE AN OUTSTANDING BENEFIT PROGRAM EVEN BETTER.

STATEMENT OF MG WILLIAM F. WARD

Mr. Chairman and members of the Committee:

Once again it is a pleasure for me to discuss the Reserve Component Montgomery G.I. Bill (MGIB). Congress enacted the MGIB to encourage membership in the Selected Reserve, and I am happy to say that it is one of the most significant enhancement programs supporting the Army Reserve's recruiting and retention efforts. I am pleased to report the MGIB totals of the Army Reservists who are using the bill continue to increase .

As of May 31, 1990, our statistics show: of 79,345 Army Reservists eligible to use the MGIB, 29,964 (38 percent) are currently participating. Furthermore, as of May 31, 1990, 44,907 (56.6 percent of those eligible) Army Reserve soldiers have received MGIB benefits since its inception July 1, 1985. The number of participants is increasing because considerable emphasis has been placed on MGIB management in the form of expansion to less than half-time study, elimination of the "180 day rule", and the introduction of vocational and technical training expansion programs effective October 1, 1990.

Increased publicity using existing command information publications to disseminate a series of lengthy articles on the MGIB is reaching nearly 300,000 soldiers participating in the Selected Reserve. Information provided includes in depth descriptions of all benefits that soldiers are entitled to receive.

Further, there is an intensified effort to train all incentive managers who were hired on a four-year test program. These incentive managers, located at the major U.S. Army Reserve commands, serve as education service officers. The Army Reserve Readiness Training Center, located at Fort McCoy, Wisconsin, has recently implemented a two-week course of instruction for these managers. The first pilot course began on May 30, 1990. The purpose of this course is to instruct and train incentive managers on all policies and procedures for the administration of the MGIB, Selected Reserve Incentive Program and other educational programs.

A Department of Defense-wide review of all service codes is underway through the Office, Assistant Secretary of Defense - Reserve Affairs. This new coding will allow corrections into SIDPERS-USAR data base to be transmitted to the Defense Manpower Data Center, and expedite its assimilation into the Department of Veterans Affairs information system. This will speed up the process of updating individual MGIB eligibility files and ensuring that appropriate benefits are promptly paid.

To review our progress with you, in April of 1987, 155,585 Army Reservists were coded as "unknowns" for MGIB eligibility purposes by the Defense Manpower Data Center. By April of 1989, this figure had been reduced to 33,352. I am pleased to report that as of May, 1990 our "unknowns" have been further reduced to 11,770. As these figures indicate, we have come a long way in improving the efficiency in the administration of the program, and in providing timely and accurate eligibility data.

Normally, the readjustment to civilian life benefit is provided by active duty programs under Title of the 38 U.S. Code. Benefits under chapter 106 provide advantages to civilian readjustment to those service members who decline participation in an active duty program and who later join the Selected Reserve for a six-year obligation.

Finally, recent changes and expansion of the MGIB effective October 1, 1990 to include the Vocational-Technical (VO-TECH) programs will probably increase the range of available benefits. A recent profile of eligible Army Reservists shows the continued need for the MGIB. This profile indicates that 97 percent of MGIB eligible Reservists are Mental Test Category I - III B area, 96 percent are high school graduates, and 2 percent already have baccalaureate degrees. This also indicates the special effect the MGIB has on our ability to acquire soldiers with the higher mental capabilities urgently needed to man and maintain the high level of technical equipment found in the Army today and the Army of the future.

Mr. Chairman, this concludes my statement. I will be happy to answer any questions you or the committee members may have.

NOT FOR PUBLICATION UNTIL RELEASED BY
THE VETERANS AFFAIRS COMMITTEE

STATEMENT OF

REAR ADMIRAL J. E. TAYLOR, USN

DIRECTOR OF NAVAL RESERVE

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

ON THE

MONTGOMERY GI BILL

12 JULY 1990

NOT FOR PUBLICATION UNTIL RELEASED BY
THE VETERANS AFFAIRS COMMITTEE

Mr. Chairman, it is a pleasure to appear before this subcommittee again and report on continued progress on the administration of the Montgomery G.I. Bill. When I met with you last on September 14, 1989, I outlined our progress at that point in time and our intentions to further expand the program. My remarks today are intended to share with you our progress and to highlight our view of what is still to be done.

As we expected, the program has had continued growth. As of April 30, 1990, 13,533 members of the Navy's Selected Reserve were participating in the Montgomery G. I. Bill. That represents 33 percent of the 40,719 eligible for benefits. Since July 1, 1985 when the Montgomery G.I. Bill became effective, 19,414 of our Selected Reservists have made use of education benefits.

As you know, the administrative reporting systems did not exist when the law establishing the Montgomery G.I. Bill was enacted. Unfortunately, limited resources and funding have lengthened the time necessary to provide the quality of administration that the program deserves and requires. Much of the early efforts were devoted to manually correcting eligibility data previously missing on service members, some of whom were not yet using the benefits.

To review with you where we have progressed, in March of 1988, 31 percent of the Naval Selected Reservists lacked complete eligibility data as reported to the Defense Manpower Data Center. By February of 1989 this percentage had been reduced to 20 percent. I am proud to report that as of April 30, 1990, our rate of incomplete eligibility data reported has been further reduced to 4.5 percent. I estimate that incomplete eligibility data will be under 2 percent by September, 1990.

As those figures indicate, we have come a long way in improving the efficiency in the administration of the program and in providing timely and accurate eligibility data. In 19 the Naval Reserve installed a new automated personal computer based system known as RSTARS (Reserve Standard Training Administration and Readiness Support). Continued improvements that system including more sophisticated software edits should further reduce field errors and provide for greater efficiency.

The other good news is that the Montgomery G.I. Bill is still one of the primary reasons for why our people join the Selected Reserve. Those who are participants are also twice as likely to be retained in the Selected Reserve.

The benefits available under Title 10 US Code Chapter 106 have been a positive tool for gaining new accessions and improving retention in the Selected Reserve. Normally, the readjustment to civilian life benefit is provided by active duty programs under Title 38 US Code. Benefits under Chapter 106 can provide advantages to civilian readjustment to those service members who declined participation in an active duty program and who later join the Selected Reserve for a six year obligation.

I would like to especially thank the subcommittee for the existence of this program and your efforts to improve its excellent benefits. The recent changes that become effective September 30, 1990 for flight training and those that will occur on October 1, 1990 for vocational training, cooperative education, correspondence courses, independent study, apprentice training, remedial training and other on-the-job training programs should greatly enhance the scope of available benefits. The advantages offered under the Montgomery G. I. Bill have been significant for our service members, but more importantly, those advantages have greatly added to our national defense needs. We have a better manned, better trained, and better quality Naval Reserve today because of your efforts.

Thank you again for the opportunity to present these comments.

D E P A R T M E N T O F T H E A I R F O R C E

PRESENTATION TO THE SUBCOMMITTEE ON
EDUCATION, TRAINING, AND EMPLOYMENT
COMMITTEE ON VETERAN'S AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

JULY 12, 1990

SUBJECT: Review of the Montgomery GI Bill

STATEMENT OF: BRIGADIER GENERAL JOHN J. CLOSNER
Deputy to Chief of Air Force Reserve
Headquarters, USAF

NOT FOR PUBLICATION UNTIL RELEASED BY
THE COMMITTEE ON VETERAN'S AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

MISTER CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for the opportunity to appear before this committee. The Air Force Reserve has long appreciated your exceptional support in improving educational and training benefits.

I'd like to comment on the Montgomery GI Bill program in general. Air Force Reserve recruiting, retention and participation levels continue to remain high. The progress we've made is in no small measure due to the Montgomery GI Bill. Its impact on attracting high quality people to meet our demanding requirements is significant.

Approximately half of our force is eligible to receive benefits, and of these, over 6300 Reservists are also eligible for active duty benefits. The more than 12,000 current or past participants are evenly divided between those receiving full and part time benefits. A recent survey indicates that 75% of our reservists intend to use their benefits in the future. Last year's survey cited Montgomery GI Bill benefits as a key factor in our people's decision to enlist and reenlist. We continue to emphasize program awareness and participation, and anticipate increased future enrollments.

As a result, we consider the Montgomery GI Bill among the most effective benefits available for our members, one with an exceptional rate of return. Mr. Chairman, thank you again for this opportunity to address this subcommittee.

Captain T. Roger Pike
Chief, Reserve Programs Division
United States Coast Guard

Captain Pike has served as Chief, Reserve Programs Division, Coast Guard Headquarters, since the summer of 1989. In this capacity, he is responsible for a wide range of planning, programming, and budgeting activities for the Coast Guard's Reserve Program.

He has spent most of his 23-year Coast Guard career in various aspects of Reserve Program management. From 1985 to 1988, he was Executive Officer of the Reserve Training Center at Yorktown, Virginia, one of the Coast Guard's largest commands. In earlier assignments, he managed Reserve training activities in the Pacific Northwest and Alaska, and in the Mid-Atlantic states. Captain Pike was a drilling Reservist in North Carolina early in his Coast Guard career.

His secondary specialty is Port Safety and Security. Between 1981 and 1985, he was program manager for this mission area in the Pacific Northwest and served on a Canada/U.S. committee which established policy for vessel traffic management in border waters. In 1982 he served as senior planning officer for a major security operation in which Coast Guard forces provided escort for the USS OHIO, the first Trident submarine, on that vessel's initial arrival at its homeport of Bangor, Washington. Captain Pike had earlier experience in the Port Safety and Security mission in the Northeast and Mid-Atlantic areas.

Captain Pike's awards include three Coast Guard Commendation Medals, a Coast Guard Achievement Medal, and several lesser awards.

Captain Pike graduated from the Coast Guard's Officer Candidate School in 1966. He holds a B.S. in Business from High Point College and a M.A. in Economics and Business from Appalachian State University, both in North Carolina. He is a 1989 graduate of the Industrial College of the Armed Forces.

He is a native of Greensboro, North Carolina, and is married to the former Edna Hilliard of Winston-Salem. Among other community and civic activities, he serves on the Board of Visitors of his alma mater, High Point College.

STATEMENT OF CAPTAIN THOMAS R. PIKE

GOOD MORNING MISTER CHAIRMAN. I AM CAPTAIN THOMAS R. PIKE, U.S. COAST GUARD, ACTING DEPUTY CHIEF OF THE OFFICE OF READINESS AND RESERVE. I AM PLEASED TO BE HERE TO OFFER THE COAST GUARD RESERVE VIEWS REGARDING OUR MONTGOMERY GI BILL (MGIB) PROGRAM EFFECTIVENESS.

THE MGIB CONTINUES TO PLAY A VERY IMPORTANT ROLE IN OUR RESERVE RECRUITING PROGRAM. INCREASED COMPETITION FOR LIMITED RECRUITING PROSPECTS IS FORCING EVEN PRIVATE INDUSTRY TO BE MORE RESOURCEFUL IN ATTRACTING AND RETAINING QUALIFIED PERSONNEL. THE MGIB PROVIDES US WITH AN EFFECTIVE AND COMPETITIVE TOOL FOR THE TYPE OF APPLICANT THAT IS IN GREAT DEMAND.

DURING THE PAST YEAR WE VERY SUCCESSFULLY SHIFTED RECRUITING EMPHASIS TO HIGH SCHOOL SENIORS, COLLEGE AND TRADE SCHOOL STUDENTS. WE ATTRIBUTE MUCH OF THIS SUCCESS TO THE SELECTED RESERVE MGIB PROGRAM. SEVERAL RECRUITERS HAVE CHARACTERIZED THE MGIB AS A TREMENDOUS INCENTIVE FOR THE PROSPECT POOL WITH WHICH THEY WORK. IT PROVIDES OUR COAST GUARD RECRUITERS WITH A PRESENT BENEFIT TOOL THAT CAN BE UTILIZED ALMOST IMMEDIATELY BY A QUALIFIED MEMBER. THE NEAR TERM RETURN TO THE SERVICE AND SOCIETY IS A MORE MOTIVATED, BETTER TRAINED AND EDUCATED CITIZEN-SAILOR. AS THE SEARCH FOR PROSPECTIVE RECRUITS INTENSIFIES, WE BELIEVE THE VALUE OF THE MGIB TO THE COAST GUARD RESERVE WILL BECOME EVEN MORE APPARENT.

WHILE WE RECRUITED FEWER RESERVISTS IN FY 1989 THAN IN FY 1988, WE SAW AN INCREASE IN THE PERCENTAGE OF MGIB-ELIGIBLE RESERVISTS (40%, UP FROM 38%). THE TOTAL NUMBER OF RESERVISTS ELIGIBLE TO PARTICIPATE IN THE PROGRAM DRAMATICALLY INCREASED BETWEEN FY 1988 (11%) AND FY 1989 (34%). CURRENTLY, 34% OF OUR RESERVISTS REMAIN ELIGIBLE TO PARTICIPATE IN MGIB, AND THE PERCENTAGE WHO ARE PARTICIPATING HAS GROWN FROM 25% TO 27%. SIMPLY PUT, WE ARE RECRUITING MORE RESERVISTS WHO ARE MGIB QUALIFIED WHILE ALSO INCREASING THE NUMBER OF PARTICIPANTS...IT IS WORKING.

AS WITH ANY BENEFIT, THE KEYS TO SUCCESSFUL UTILIZATION ARE UNDERSTANDING AND ACCESS. IN ADMINISTERING BENEFITS WITHIN OUR RESERVE PROGRAM WE TAKE THE VIEW THAT EACH MEMBER IS A CUSTOMER. WITH THE SELECTED RESERVE MGIB, THAT PHILOSOPHY RESULTED IN OUR ESTABLISHING A TOLL-FREE HOTLINE FOR ANY QUESTIONS OR PROBLEMS OUR CUSTOMERS MAY HAVE. CUSTOMER RESPONSE HAS BEEN FAVORABLE, AND SERVICE TO THE RESERVIST HAS BEEN GREATLY ENHANCED.

DURING THE PAST YEAR WE CONTINUED PROGRESS ON SEVERAL INITIATIVES PREVIOUSLY REPORTED TO YOU. IN OCTOBER WE WILL IMPLEMENT THE FINAL STEP OF OUR PROJECT TO AUTOMATE THE MGIB PROCESS. THIS AUTOMATION WILL REPLACE THREE ADMINISTRATIVE PROCESSES. IN ADDITION, WE NOW ROUTINELY ACCESS THE DEFENSE MANPOWER DATA CENTER'S (DMDC) MGIB QUERY SYSTEM, AND HAVE REFINED OUR MGIB PROGRAM HISTORICAL FILE TO BETTER RESPOND TO VARIOUS INQUIRIES. FOR THE FUTURE, WE PLAN A COMPREHENSIVE SERIES OF ARTICLES FOR OUR NATIONAL MAGAZINE WHICH WILL EXPLAIN MGIB AND ITS BENEFITS, IN LAYMAN'S TERMS. THE CUMULATIVE RESULT IS BETTER SERVICE TO THE RESERVIST.

THESE INITIATIVES WILL GREATLY REDUCE THE PROGRAM'S ADMINISTRATIVE BURDEN, WHILE MAKING IT MORE ACCESSIBLE. AS A RESULT, WE ANTICIPATE CONTINUED POSITIVE FEEDBACK FROM THE FIELD.

WE ARE ONCE AGAIN MOST GRATEFUL TO THE DEPARTMENT OF VETERAN'S AFFAIRS FOR THEIR CONTINUED COOPERATION. THEIR KNOWLEDGE AND WILLINGNESS TO HELP HAS BEEN A MAJOR FACTOR IN OUR ABILITY TO SERVICE OUR RESERVISTS' NEEDS AND QUESTIONS. THEIR RESPONSIVENESS AND EXPERTISE HAS CONTRIBUTED TO A STRONG WORKING RELATIONSHIP BETWEEN AGENCIES THAT CONTINUES TO RESULT IN BETTER TRAINED AND EDUCATED COAST GUARD CITIZEN-RESERVISTS.

IN CLOSING I APPLAUD, ON BEHALF OF THE COAST GUARD RESERVE, YOUR CONTINUED SUPPORT OF THIS MOST BENEFICIAL MONTGOMERY GI BILL PROGRAM.

THIS CONCLUDES MY FORMAL STATEMENT. I WOULD BE HAPPY TO RESPOND TO ANY QUESTIONS YOU MAY HAVE.

STATEMENT BY MAJOR GENERAL DONALD BURDICK

MISTER CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, IT IS A PLEASURE FOR ME TO APPEAR BEFORE YOU ON BEHALF OF THE MORE THAN 450,000 MEMBERS OF THE ARMY NATIONAL GUARD IN SUPPORT OF THE MONTGOMERY GI BILL AND TO ADDRESS THE TIMELY AND EFFICIENT DELIVERY OF BENEFITS AND THE EFFECTIVENESS OF THE PROGRAM FOR THE MEN AND WOMEN OF THE ARMY NATIONAL GUARD.

SINCE ITS INCEPTION IN 1985, THE MONTGOMERY GI BILL HAS BECOME THE SINGLE MOST EFFECTIVE EDUCATION PROGRAM AVAILABLE TO MEMBERS OF THE ARMY NATIONAL GUARD. IT HAS CONTRIBUTED TO IMPROVED RECRUITING AND RETENTION AND HAS INCREASED THE NUMBER OF SOLDIERS WHO SIGN SIX YEAR CONTRACTS. AS WE CONTINUE TO IMPROVE THE QUALITY OF OUR 'ARMY ON CALL' IT IS ESSENTIAL FOR US TO BE ABLE TO PROVIDE EDUCATIONAL BENEFITS FOR OUR BRIGHT YOUNG SOLDIERS WHO ARE MAKING CONTRIBUTIONS TO THE NATIONAL DEFENSE AND TO THEIR LOCAL COMMUNITIES AS WELL.

THE PRESIDENT RECENTLY RECOGNIZED REPRESENTATIVES FROM EACH SERVICE AND COMPONENT ON THE OCCASION OF THE ONE MILLIONTH PARTICIPANT IN THIS PROGRAM. THE QUALITY OF THE YOUNG SERVICE MEMBERS WHO REPRESENTED THEIR RESPECTIVE SERVICES INDICATED THAT WE ARE INDEED ATTRACTING SOME OF THE FINEST YOUNG PEOPLE AVAILABLE INTO THE SERVICE OF THEIR COUNTRY.

AS OF MAY 1990 WE HAD OVER 72,000 MEMBERS OF THE ARMY NATIONAL GUARD TAKING ADVANTAGE OF THE BENEFITS OFFERED UNDER THE MONTGOMERY GI BILL. WE CURRENTLY HAVE MORE THAN 38% OF OUR ELIGIBLE POPULATION PARTICIPATING IN THE PROGRAM. THE NUMBER OF PARTICIPANTS IS EXPECTED TO RISE TO 75,000 BY THE END OF THE FISCAL YEAR. THE BENEFITS FOR VOCATIONAL TECHNICAL

STUDY AND OTHER PROVISIONS ADDED BY THE LAST CONGRESS ARE EXPECTED TO INCREASE PARTICIPATION SIGNIFICANTLY AS WELL AS PROVIDE MANY OF OUR SOLDIERS WITH SKILL TRAINING DIRECTLY RELATED TO THEIR MILITARY OCCUPATION. WE ALSO EXPECT AN INCREASE IN USAGE FROM GUARD MEMBERS ATTENDING SCHOOL LESS THAN HALF TIME SINCE WE HAVE LOST FUNDING FOR THE TUITION ASSISTANCE PROGRAM.

EFFORTS CONTINUE TO SOLVE EARLY PROBLEMS WITH THE ADMINISTRATION OF THE PROGRAM. SEVERAL FACTORS HAVE CONTRIBUTED TO THE IMPROVING ADMINISTRATION OF THE PROGRAM FOR OUR SOLDIERS. FIRST OF ALL, THE ARMY NATIONAL GUARD HAS AN EDUCATION SERVICES OFFICER AT EACH STATE HEADQUARTERS. ONE OF THE PRIMARY RESPONSIBILITIES OF THIS OFFICER IS TO PUBLICIZE AND ADMINISTER THE MONTGOMERY GI BILL PROGRAM AND PROVIDE ASSISTANCE TO COMMANDERS AND INDIVIDUALS IF ELIGIBILITY PROBLEMS ARISE. SECONDLY, THE DEPARTMENT OF DEFENSE HAS PROVIDED, THROUGH THE DEFENSE MANPOWER DATA CENTER, A DIRECT LINK UP CAPABILITY FOR OUR NATIONAL LEVEL MANAGERS TO MAKE CHANGES TO THE DATA BASE IF THE ELIGIBILITY DATA IS IN ERROR. THIS HAS SHORTENED CONSIDERABLY THE AMOUNT OF TIME A SOLDIER MUST WAIT TO HAVE HIS ELIGIBILITY STATUS CLARIFIED. WE ARE ALSO WORKING WITH THE DEPARTMENT OF DEFENSE AND THE DEPARTMENT OF VETERANS AFFAIRS TO ANTICIPATE ANY CHANGES IN THE SYSTEM WHICH MAY BE NEEDED TO ACCOMMODATE NEW BENEFITS EFFECTIVE ON OCTOBER 1, 1990.

MR. CHAIRMAN, THIS CONCLUDES MY STATEMENT. AGAIN I WANT TO THANK YOU AND YOUR COMMITTEE FOR YOUR SUPPORT OF OUR ARMY NATIONAL GUARD, AND I WILL BE PLEASED TO ANSWER ANY QUESTIONS YOU MAY HAVE.

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE COMMITTEE ON VETERANS' AFFAIRS

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: MONTGOMERY GI BILL

STATEMENT OF: MAJOR GENERAL PHILIP G. KILLEY
DIRECTOR, AIR NATIONAL GUARD
HEADQUARTERS, UNITED STATES AIR FORCE

JULY 1990

NOT FOR PUBLICATION UNTIL RELEASED
BY THE COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

MAJOR GENERAL PHILIP G. KILLEY
DIRECTOR, AIR NATIONAL GUARD

General Killey was born in Monmouth, Illinois on October 3, 1941. He graduated from Monmouth High School in 1959, and earned a bachelor of arts degree in economics and mathematics from Monmouth College (Illinois) in 1963. His military education includes Squadron Officer School, 1974; and the National Security Management Course, 1984.

The general began his military career when he enlisted in the U.S. Air Force in August 1963. He attended Officer Training School at Lackland Air Force Base, Texas and upon graduation in November 1963 was commissioned a second lieutenant. He attended pilot training at Reese Air Force Base, Texas and received his pilot wings in February 1965. He was then assigned to Eglin Air Force Base, Florida in August 1965. In May 1967, he was sent to Southeast Asia where he was assigned to the 555th Tactical Fighter Squadron, Ubon Air Base, Thailand, as a combat fighter pilot. He flew 100 combat missions over North Vietnam in the F-4 aircraft. He returned to the United States in February 1968 and was stationed at George Air Force Base, California where he was assigned as an F-4 instructor pilot. He was separated from the U.S. Air Force in July 1969 and became an airline pilot for Northwest Orient Airlines.

General Killey joined the South Dakota Air National Guard in August 1970 as a squadron fighter pilot and was employed as a full-time air technician flying instructor in March 1973. Since joining the Air National Guard, General Killey has held several positions including Group Weapons Tactics Officer, Chief of Standardization and Evaluation, and Deputy Commander for Operations. He was appointed Commander of the 114th Tactical Fighter Group in August 1983, the position he held upon his appointment as Adjutant General for South Dakota on March 16, 1987.

General Killey is a command pilot with more than 5,000 hours of flying time in the T-37, F-4C/D/E, F-100D/F and the A-7D/K aircraft. He is currently qualified in the F-16A/B and C-21 aircraft. His awards and decorations include the Legion of Merit with one oak leaf cluster, Distinguished Flying Cross, Meritorious Service Medal, Air Medal with two oak leaf clusters, Combat Readiness Medal with four oak leaf clusters, Vietnam Service Medal with one service star, National Defense Service Medal, Air Force Overseas Short Tour Ribbon, Air Force Longevity Service Ribbon, Armed Forces Reserve Medal, Small Arms Expert Marksmanship Ribbon, Vietnam Gallantry Cross with palm and the Republic of Vietnam Campaign Medal. Under General Killey's leadership, the 114th Tactical Fighter Group was awarded its second Air Force Outstanding Unit Award (1985) and the Winston P. Wilson Trophy as the most outstanding Fighter/ Reconnaissance Unit in the Air National Guard (1984).

General Killey was promoted to Major General on April 19, 1989.

The general is married to the former Ellen Davis of Phoenix, Arizona. The Killeys live at Bolling Air Force Base.

AIR NATIONAL GUARD
MONTGOMERY GI BILL

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, thank you for the opportunity to be here and to represent the more than 117,000 members of the Air National Guard. The continuation and improvement of the Montgomery GI Bill (MGIB) are essential to our ability to recruit and retain the highest caliber men and women in the Air National Guard. I express our sincere appreciation for the outstanding support which the Congress and this Committee, in particular, have given us.

Since its inception on July 1, 1985, the MGIB has proven to be a paramount enlistment and retention incentive for the Air National Guard. The number of six-year commitments rose to a high of 57.1 percent of all enlistment or reenlistment actions in FY 86 and has tended to stabilize around 50 percent since then.

Currently the Air National Guard has 53,935 members who have met MGIB eligibility of which 20,838 have made application for benefits. Of this number, 17,134 are actually participating in the program which represents 82 percent of all eligible Air National Guard officers and enlisted members who have applied. I would like to make special note of the fact that Air National Guard participation has increased by almost 3,000 and our number of applicants has increased by almost 4,000 over the past year.

Administration of the MGIB program by Air National Guard managers has not been flawless. Starting with over 16,000 Air National Guard personnel records with data which was incomplete or inaccurate, our managers have verified eligibility data and reduced the "unknown" status of members applying to the VA for benefits to 357 records as of May 31, 1990. This represents a 98 percent accuracy. Our intent is to reach 100 percent accuracy through development of edits in the personnel data system (PDS) that will require accurate data input at the time the member's record is constructed.

As the MGIB continues to be the primary incentive for six-year enlistments and reenlistments, we enthusiastically support the Montgomery GI Bill benefits. Improved administration and increased awareness of this extremely valuable program will remain a primary goal for the Air National Guard.

Mr. Chairman, this concludes my statement. Thank you for your continued support and I'll be happy to respond to any questions that you may have.

NAVPA

National Association of Veterans Program Administrators

LYNN DENZIN, PRESIDENT

c/o Metropolitan State College
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TESTIMONY OF

Lynn Denzin, President

National Association of Veterans Program Administrators

before the

House Committee on Veterans Affairs

July 12, 1990

Room 334, Cannon House Office Building

Mr. Chairman and members of the committee, on behalf of the National Association of Veterans Program Administrators, I wish to thank you for the opportunity to present our comments and suggestions on the current status of the Montgomery GI Bill. I would also like to recognize the efforts of Mr. Penny, his staff, and the committee members who continue to make every effort to assure the success of the MGIB. The MGIB is proving to be an outstanding program and through the efforts of this committee will remain constant in that success.

NAVPA offers the following thoughts, comments and recommendations as areas of concern and possible improvements. Some may require legislation and others can be accomplished through policy implementation by the VA.

Timely and Efficient Delivery of Benefits:

System problems:

I have attached samples of forms which I believe to be internal VA system problems, and which confuse the student and delay payment of benefits. The first instances deal with duplication of the self verification forms which are sent to the student. (Attachment 1A, 1B, 2A, &2B.) I have included samples of this problem from both the St. Louis and Muskogee offices which seem to indicate a system wide problem.

The second set of attachments show inconsistent beginning and ending dates, as well as credit hour discrepancies. (Attachment 3A & 3B.) In the past, when the VA sent out the verification cards (22-6553) for verification of enrollment by the school, these same kinds of discrepancies were frequent due to some internal VA cycle. The veterans coordinators at the school were accustomed to this and compensated with the correct information. Now, however, when this set of dates and hours that does not match what the student is taking are received by the student, they do not know how to respond on the self-verification. Often the student returns the form stating there is a change from what is indicated because what is indicated is not correct, and inadvertently delay their payment.

The fourth set of attachments are from the Buffalo processing center, however I have received information of similar problems at

the other processing centers. (Attachment 4A & 4B.) In both cases the student's benefits have been stopped because the VA has determined they "have withdrawn from school." The veteran student did not report they had withdrawn from school and the school did not report such. In the first of these cases there had been no change in status at all; in the second case, the student had reduced their hours. In both cases, the benefits were stopped and several weeks passed before payment could be resumed.

Mail delays continue to be experienced and often non-receipt of the self verification form. As this continues, veterans coordinators on the campus encourage the student to complete a 21-4138 and return it with their credit hours and semester/quarter dates. Some of the processing centers, however, have contacted the student and told them they were not allowed to return a 4128 in lieu of the self verification. What should they do if they don't have the self verification form? The goal is to obtain the student's signature that he/she is indeed still enrolled with a given number of credit hours; regardless of what format the student utilizes it should be acceptable as long as this desired information is included. Some students have gone nearly an entire term without receiving the VA form for self verification. The student should not be harassed, nor their benefits denied, due to a difficulty within the VA system.

Active duty personnel who are on terminal leave for the beginning of a term must have block #20 signed if they wish to receive benefits for the active duty time period. Many do not wish to receive this amount as it is usually an extremely small amount of money and only serves to delay their benefits. The VA is vigorously pursuing the prorated amount of the appropriate tuition and fees, without the signature of the Education Services Officer and to the delay of the monthly entitlement. If the signature is not required, take it off of the form and allow the active duty student the option of claiming those few days or not. (Problems with an inquiry on this subject follow.)

Schools continue to experience difficulties in placing inquiries to the VA concerning particular student payment problems. The attitude at VA regional offices continues, and is increasing,

that Chapter 30 processing is not a priority because they are not responsible for that processing. Inquiries which have been placed in an attempt to resolve the problems encountered by terminal leave active duty personnel have been totally unsatisfactory. School veterans coordinators have had to take an aggressive stand with VA regional office personnel to convince them to take a second inquiry when the first answer did not address the issue. One coordinator was told that the inquiry which went to Muskogee was worded "Veteran does not wish payment for the Spring term." Placing the second inquiry finally did resolve the lengthy delay in payment of benefits, but not until the term was nearly completed.

These situations continue to emphasize the need for a toll free number to the processing centers so that direct contact can occur between the schools and the center where resolution will take place. When the inquiry is placed from the school to the regional office to the processing center, there is no way for the processing center to ask for clarifying information. When the question/problem has been interpreted two to three times, it is little wonder that there is confusion as to what the original inquiry was. A second alternative may be for the school to write up an inquiry and FAX it to the processing center. We would expect that the processing center would phone the school for any necessary clarifications. Additionally, similar to the recommendation made by the Commission, it should be considered to have an ombudsman - however that person may be more effective if placed within the processing center rather than the regional offices. Because educational claims have such low priority at the regional offices, the ombudsman may not have the necessary influence nor support if placed there.

VA regional offices appear to be "stepping up" the requirement that a 22-1999b be sent each time a student veteran adjusts their class schedule - regardless of whether or not that adjustment results in a change in the rate of pay. We continue to maintain that requiring a 99b for each adjustment is a waste of time, is labor intensive for both the school and the VA, and does nothing for the paper reduction theory. It is unnecessary to report all changes in status unless a change in pay will be seen. VA regional office newsletters have indicated the threat of insti-

tutional liability if all changes are not reported. In reality, for what is the school liable if there has been no overpayment of educational benefits? Nothing is gained from this reporting.

The exchange of information between the DoD system and the VA system continues to be an enormous problem, and does not readily appear to be improving. It is not unusual for a student to be receiving benefits and then for the benefits to be stopped - the VA stops the benefits because of some error between the DoD and the VA which has indicated that the student is not eligible. The VA is remiss in not being more of an advocate for the student veteran and attempting to resolve the problem. This happens so frequently that the VA personnel have to know it is usually an error in DoD information, but yet they terminate benefits without pursuing the information to be corrected.

Many schools make use of the VA report called the "COIN TAR 300". It is a listing of students by facility code and indicates dates attended and the rates of pay received. It would be very beneficial to schools for this report to be in alphabetical order by student last name.

Support and Priorities:

Some of the VA regional office newsletters have addressed the low numbers of educational claims being handled at the regional offices. We feel that the tone of these articles is indicative of the attitude in general of the regional offices. This tone is communicated to all levels of the educational community. School administrators then reflect this attitude in the way they view the importance of the veterans coordinators/office staff. Often those personnel are given additional duties. If new staff is hired they are not given institutional support to travel to training sessions or conferences. The result of this is being seen more and more frequently in the educational institutions - veterans offices staffed by personnel who have other, more highly valued duties; or staff who have had no training, do not know what is expected of them, do not know specific regulations that the school is to enforce, and who can very easily get the institution into a tenuous situation through lack of knowledge.

The Commission report contained recommendations for the training and assisting of new veterans office staff - by both the VA and the SAA. We feel this is becoming increasingly imperative.

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If the previous veterans coordinator leaves the institution, there is absolutely no reference person for the new staff. There is seldom anyone else at the school who knows any of the VA requirements and regulations to assist the new person. A training program by the VA and/or SAA is recommended, training which should utilize the VA/AACRAO Certification Manual as a basis.

There are sources of institutional funding which benefit the veterans offices which are in need of congressional support. The first of these is the VA reporting fee - that money which the VA pays to the school to off set the cost involved in certifying veterans for their educational benefits. We support an increase in the amount paid for each student. Additionally, we support the concept of being paid for each student certified during an entire year. Rather than the VA paying the school for the veterans enrolled and receiving benefits on a certain date, the VA should pay the school for the entire previous year's total.

The second source of support for the veterans offices on college campuses is the US Department of Education Veterans Educational Outreach Program (VEOP). Although this program is funded at an abysmally low level, it does provide the incentive on many campuses to maintain a visible Office of Veterans Services. This program has not been actively supported by Congress for a number of years, and is not recommended for funding by the Administration. Support and increased funding for this program would provide hundreds of colleges with seed money to provide the necessary services to student veterans.

Responsibilities of the VEOP include recruitment and retention of veterans. In presentations and articles by both the SAA and SOC, reference has been made to a low usage rate by those eligible for the MGIB. The figures of only 22% usage from those eligible from the Army, and overall usage of 16% have been used. If these figures are even close to being accurate, there are problems here that we all must solve. Support of the VEOP is one way to assist in recruitment and to assure there are better qualified staff at those colleges when the veteran arrives for assistance. We feel there is a continuing need for increased, quality counseling as the service person is discharged and to dispel misunderstandings of what is available for them. It is crucial that the VA, SAA, DoD, and the schools work together to provide better information and better services.

The areas of measurement and standardization must continue to be addressed. Standardization of all possible benefits among the various chapters is strongly supported by NAVPA. Much of the incorrect and confusing information given to new student veterans is often attributable to a counselor who is not accurate on which benefits are available for which chapters.

The report by the internal VA task force dealing with Commission recommendations on measurement seems to indicate they could not agree on a solution. We should consider that the issues on measurement in all of the appropriate reports are symptoms, and that the real heart of the problem is in how the VA views education and in what it considers "non-traditional" education. We continue our stand that the VA is not in the business of setting standards for education. If a program has the approval of the appropriate accrediting agencies, educational boards, the SAA, etc., then a student veteran should be entitled to receive benefits at the appropriate credit hour rate. The methods which the VA refers to as "non-traditional" are no longer considered that by the majority of the educational community. Innovations have made new concepts possible in the delivery of educational experiences and it is time for the VA to adjust the manner in which they view these innovations.

NAVPA recommends that a group similar to the Commission, or an educational advisory committee, be maintained to assist in the on going need for review of the MGIB, where it's going, how it's doing, how it can be enhanced. The VA Educational Advisory Committee is not appropriate as it now exists - there are currently no members appointed and they have no authority to meet unless called by the VA. To be effective, such a Board/Commission must be sanctioned in some way by Congress and receive all necessary and appropriate support.

We appreciate the opportunity to address the House Committee on Veterans Affairs on these areas of concern and suggestions for improvements. We commend your concern and attention to the continuing enhancement of the Montgomery GI Bill.

Attachment 1A:

P.O. BOX 8888
MUSKOGEE, OK 74402-8888

PAYEE ADDRESS

[redacted]

STUDENT VERIFICATION OF ENROLLMENT FOR A COURSE LEADING TO A STANDARD COLLEGE DEGREE
(Under Chapter 30, Title 38 U. S. Code)

VA RETURN ADDRESS

P. O. BOX 8888
MUSKOGEE, OK 74402-8889

DECLINED

STROUSE

1. ENROLLMENT INFORMATION

A. DATE STARTING	A. DATE ENDING	B. NO./TYPE HOURS	C. TRAINING TIME
05-01-90	05-25-90	12/S	FULL TIME

2. PERIOD TO BE VERIFIED: MAY 1, 1990 - MAY 25, 1990

3. THIS ENROLLMENT INFORMATION IN ITEM 1 IS CORRECT. (I plan to continue through the last ending date shown) [X] YES [ ] NO (If "No," complete items 5 or 6) (You must complete item 4)

4. MY ACTUAL ATTENDANCE DURING THE PERIOD SHOWN IN ITEM 2 CONTINUES TO MEET ALL SCHOOL REQUIREMENTS. [X] YES [ ] NO (If "No," complete items 5 or 6)

5A. I CHANGED/WILL CHANGE MY WORKLOAD [ ] YES [X] NO (If "Yes," complete items 5B thru 5D) | 5B. DATE HOURS CHANGED | 5C. NUMBER OF OLD HOURS | 5D. NUMBER OF NEW HOURS

6A. I STOPPED/WILL STOP ATTENDING [ ] YES [X] NO (If "Yes," complete item 6B) | 6B. DATE LAST ATTENDED

I CERTIFY THAT the information above is true and correct to the best of my knowledge and belief.

7A. SIGNATURE OF STUDENT [redacted] | 7B. DATE SIGNED: 5 June 1990

FOR VA USE ONLY

FILE NUMBER	DATE ISSUED
573[redacted]	MAY 29, 1990
FACILITY CODE: 1-1-9031-05	TYPE TRAINING: UNDERGRADUATE

NAME OF INSTITUTION: CALIFORNIA STATE UNIVERSITY-CHICO

also note time log

Attachment 1B

STROUSE

1. ENROLLMENT INFORMATION

A. DATE STARTING	A. DATE ENDING	B. NO./TYPE HOURS	C. TRAINING TIME
05-01-90	05-25-90	12/S	FULL TIME

2. PERIOD TO BE VERIFIED: MAY 1, 1990 - MAY 25, 1990

3. THIS ENROLLMENT INFORMATION IN ITEM 1 IS CORRECT. (I plan to continue through the last ending date shown) [X] YES [ ] NO (If "No," complete items 5 or 6) (You must complete item 4)

4. MY ACTUAL ATTENDANCE DURING THE PERIOD SHOWN IN ITEM 2 CONTINUES TO MEET ALL SCHOOL REQUIREMENTS. [X] YES [ ] NO (If "No," complete items 5 or 6)

5A. I CHANGED/WILL CHANGE MY WORKLOAD [ ] YES [X] NO (If "Yes," complete items 5B thru 5D) | 5B. DATE HOURS CHANGED | 5C. NUMBER OF OLD HOURS | 5D. NUMBER OF NEW HOURS

6A. I STOPPED/WILL STOP ATTENDING [ ] YES [X] NO (If "Yes," complete item 6B) | 6B. DATE LAST ATTENDED

I CERTIFY THAT the information above is true and correct to the best of my knowledge and belief.

7A. SIGNATURE OF STUDENT [redacted] | 7B. DATE SIGNED: 13 Jun 90

FOR VA USE ONLY

FILE NUMBER	DATE ISSUED
573[redacted]	JUN 7, 1990
FACILITY CODE: 1-1-9031-05	TYPE TRAINING: UNDERGRADUATE

NAME OF INSTITUTION: CALIFORNIA STATE UNIVERSITY-CHICO

also note time log

PENALTY - Willful false reports concerning benefits payable by VA may result in a fine, imprisonment, or both

Attachment 2A:

8

P.O. BOX 66830
ST. LOUIS, MO 63166-6830

STUDENT VERIFICATION OF ENROLLMENT FOR A COURSE LEADING TO A STANDARD COLLEGE DEGREE
(Under Chapter 30, Title 38 U. S. Code)

PAYEE ADDRESS

J[redacted] M R[redacted]
[redacted]

VA RETURN ADDRESS

P. O. BOX 66830
ST. LOUIS, MO 63166-6830

RIG[redacted] JM

1. ENROLLMENT INFORMATION

A. DATE STARTING	A. DATE ENDING	B. NO./TYPE HOURS	C. TRAINING TIME
01-16-90	05-14-90	15/S	FULL TIME

FOR VA USE ONLY

FILE NUMBER	DATE ISSUED
495[redacted]	MAY 10, 1990
FACILITY CODE: 1-1-9031-06	TYPE TRAINING: UNDERGRADUATE

NAME OF INSTITUTION: METROPOLITAN STATE COLLEGE

2. PERIOD TO BE VERIFIED: JAN 16, 1990 - APR 30, 1990

3. THE ENROLLMENT INFORMATION IN ITEM 1 IS CORRECT. (If plan to continue through the last ending date shown)
☒ YES ☐ NO (If "No," complete items 5 or 6) (You must complete item 4)

4. MY ACTUAL ATTENDANCE DURING THE PERIOD SHOWN IN ITEM 2 CONTINUES TO MEET ALL SCHOOL REQUIREMENTS
☐ YES ☐ NO (If "No," complete items 5 or 6)

5A. I CHANGED/WILL CHANGE MY WORKLOAD (If "Yes," complete items 5B thru 5D)	5B. DATE HOURS CHANGED	5C. NUMBER OF OLD HOURS	5D. NUMBER OF NEW HOURS
☐ YES ☐ NO			

6A. I STOPPED/WILL STOP ATTENDING	6B. DATE LAST ATTENDED
☐ YES ☐ NO (If "Yes," complete item 6B)	

I CERTIFY THAT the information above is true and correct to the best of my knowledge and belief

7A. SIGNATURE OF STUDENT	7B. DATE SIGNED
[redacted]	13 May 90

Attachment 2B:

RIG[redacted] JM

1. ENROLLMENT INFORMATION

A. DATE STARTING	A. DATE ENDING	B. NO./TYPE HOURS	C. TRAINING TIME
01-16-90	05-14-90	15/S	FULL TIME
00-00-90	01-31-00	00/	LESS THN QTR

This additional data is very confusing to the student.

FOR VA USE ONLY

FILE NUMBER	DATE ISSUED
495[redacted]	JUN 8, 1990
FACILITY CODE: 1-1-9031-06	TYPE TRAINING: UNDERGRADUATE

NAME OF INSTITUTION: METROPOLITAN STATE COLLEGE

2. PERIOD TO BE VERIFIED: JAN 16, 1990 - MAY 14, 1990

3. THE ENROLLMENT INFORMATION IN ITEM 1 IS CORRECT. (If plan to continue through the last ending date shown)
☒ YES ☐ NO (If "No," complete items 5 or 6) (You must complete item 4)

4. MY ACTUAL ATTENDANCE DURING THE PERIOD SHOWN IN ITEM 2 CONTINUES TO MEET ALL SCHOOL REQUIREMENTS
☒ YES ☐ NO (If "No," complete items 5 or 6)

5A. I CHANGED/WILL CHANGE MY WORKLOAD (If "Yes," complete items 5B thru 5D)	5B. DATE HOURS CHANGED	5C. NUMBER OF OLD HOURS	5D. NUMBER OF NEW HOURS
☐ YES ☐ NO			

6A. I STOPPED/WILL STOP ATTENDING	6B. DATE LAST ATTENDED
☐ YES ☐ NO (If "Yes," complete item 6B)	

I CERTIFY THAT the information above is true and correct to the best of my knowledge and belief

7A. SIGNATURE OF STUDENT	7B. DATE SIGNED
[redacted]	21 Jun 90

PENALTY - Willful false reports concerning benefits payable by VA may result in a fine, imprisonment, or both

Attachment 3A:

P.O. BOX 8888
MUSKOGEE, OK 74402-8888

PAYEE ADDRESS

J [redacted] H [redacted]
[redacted]

9

STUDENT VERIFICATION OF ENROLLMENT FOR A COURSE LEADING TO A STANDARD COLLEGE DEGREE
(Under Chapter 30, Title 38 U. S. Code)

VA RETURN ADDRESS

P. O. BOX 8888
MUSKOGEE, OK 74402-8888

HENDRIX

1. ENROLLMENT INFORMATION

A. DATE STARTING	A. DATE ENDING	B. NO./TYPE HOURS	C. TRAINING TIME
04-01-90	05-25-90	12/S	FULL TIME

as it appeared 4/27/90

FOR VA USE ONLY

FILE NUMBER	DATE ISSUED
560[redacted]	APR 27, 1990
FACILITY CODE	TYPE TRAINING
1-1-9031-05	UNDERGRADUATE

NAME OF INSTITUTION
CALIFORNIA STATE UNIVERSITY-CHICO

2. PERIOD TO BE VERIFIED
APR 1, 1990 - APR 30, 1990

3. THE ENROLLMENT INFORMATION IN ITEM 1 IS CORRECT. (If plan to continue through the last ending date shown)
[X] YES [ ] NO (If "No," complete items 9 or 9I. (You must complete item 4)

4. MY ACTUAL ATTENDANCE DURING THE PERIOD SHOWN IN ITEM 2 CONTINUES TO MEET ALL SCHOOL REQUIREMENTS
[X] YES [ ] NO (If "No," complete items 5 or 9I)

5A. I CHANGED/WILL CHANGE MY WORKLOAD
[ ] YES [X] NO (If "Yes," complete items 5B thru 5D)

5B. DATE HOURS CHANGED | 5C. NUMBER OF OLD HOURS | 5D. NUMBER OF NEW HOURS

6A. I STOPPED/WILL STOP ATTENDING
[ ] YES [X] NO (If "Yes," complete item 6B)

6B. DATE LAST ATTENDED

I CERTIFY THAT the information above is true and correct to the best of my knowledge and belief.

7A. SIGNATURE OF STUDENT [redacted]

7B. DATE SIGNED
5-8-90

PENALTY - Willful false reports concerning benefits payable by VA may result in a fine, imprisonment, or both.

VA FORM 22-8979 SUPERSEDES VA FORM 22-8979, MAY 1989 (Continued on Reverse)

Attachment 3B:

HENDRIX

1. ENROLLMENT INFORMATION

A. DATE STARTING	A. DATE ENDING	B. NO./TYPE HOURS	C. TRAINING TIME
05-01-90	08-02-90	03/S	THREE QTR

FOR VA USE ONLY

FILE NUMBER	DATE ISSUED
560[redacted]	JUN 4, 1990
FACILITY CODE	TYPE TRAINING
1-1-9031-05	UNDERGRADUATE

NAME OF INSTITUTION
CALIFORNIA STATE UNIVERSITY-CHICO

2. PERIOD TO BE VERIFIED
MAY 1, 1990 - MAY 31, 1990

3. THE ENROLLMENT INFORMATION IN ITEM 1 IS CORRECT. (If plan to continue through the last ending date shown)
[ ] YES [X] NO (If "No," complete items 5 or 9I. (You must complete item 4)

4. MY ACTUAL ATTENDANCE DURING THE PERIOD SHOWN IN ITEM 2 CONTINUES TO MEET ALL SCHOOL REQUIREMENTS
[X] YES [ ] NO (If "No," complete items 5 or 9I)

5A. I CHANGED/WILL CHANGE MY WORKLOAD
[X] YES [ ] NO (If "Yes," complete items 5B thru 5D)

5B. DATE HOURS CHANGED: 5-1-90 | 5C. NUMBER OF OLD HOURS: ~ 3 | 5D. NUMBER OF NEW HOURS

6A. I STOPPED/WILL STOP ATTENDING
[ ] YES [X] NO (If "Yes," complete item 6B)

6B. DATE LAST ATTENDED

I CERTIFY THAT the information above is true and correct to the best of my knowledge and belief.

7A. SIGNATURE OF STUDENT [redacted]

7B. DATE SIGNED
6-5-90

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Veterans Administration

Attachment 4A:

P.O. BOX 4616
BUFFALO, NY 14240-4616

April 2, 1990

IN REPLY REFER TO

REGISTRAR
BROOKDALE COMMUNITY
COLLEGE
LINCROFT NJ 07738

FILE NUMBER
142-[redacted]
M A S[redacted]

We have been informed that M[redacted] A S[redacted] has withdrawn from your school. Fully complete the attached form showing the required information relating to the withdrawal.

Please furnish the requested information as soon as possible, preferably within 30 days.

The information contained in this letter has been sent to this student.

JAMES O. CRANE
ADJUDICATION OFFICER

This student remained at full-time, no reductions or withdrawal. Student was paid for Jan. & Feb. As of mid-May he had received no further benefits. April 9 the veterans coordinator sent in another certification reiterating hours.

Veterans Administration

Attachment 4B:

P.O. BOX 4616
BUFFALO, NY 14240-4616

April 10, 1990

IN REPLY REFER TO

BROOKDALE COMMUNITY
COLLEGE
LINCROFT NJ 07738

FILE NUMBER
454-[redacted]
R D C[redacted]

We have been informed that R[redacted] D C[redacted] has withdrawn from your school. Fully complete the attached form showing the required information relating to the withdrawal.

Please furnish the requested information as soon as possible, preferably within 30 days.

The information contained in this letter has been sent to this student.

JAMES O. CRANE
ADJUDICATION OFFICER

This student had reduced hours; not withdrawn. After receipt of this letter, veterans coordinator sent in another certification showing hours.

TESTIMONY OF

Ronald H. Atwell, Director
Office of Veterans' Affairs
University of Central Florida

before the
House Veterans Affairs Sub-Committee on
Education, Training and Employment

July 12, 1990
Room 334, Cannon House Office Building

Mr Chairman and members of this committee, on behalf of the University of Central Florida, I wish to thank you for the opportunity to present my views, as well as those of my colleagues, concerning the implementation and effectiveness of the Montgomery GI Bill.

In consideration of time and since others will be giving testimony on the overall effectiveness of the program, I will limit my comments to three areas. The claims processing problems at the Department of Veterans' Affairs (DVA) Regional Processing Center in Atlanta, Georgia., the Department of Veterans Affairs's proposed solutions to these problems, and our recommendations for improvement.

The comments and views that I present are from three sources. First, my personal observations based upon the day-to-day operation of the Office of Veterans Affairs. The second, those views of Montgomery GI Bill recipients, who responded to a survey that was recently conducted by my office. Finally, those views of my colleagues who are within the Atlanta Regional Processing Center service area. It's important to note that while the previously mentioned survey was not scientific and could not stand up to statistical analysis, the data gathered does provide general information and possibly identify trends. Additionally, I must point out that it was impossible to obtain input from every school in the region. I did, however, solicit and receive comments from several schools, both inside and outside the state of Florida.

Let me begin by saying that based on the information I gathered I feel that the timeliness and accuracy of claim processing at Atlanta is improving. This does not mean to imply that all problems have be solved, but only to recognize the efforts being made thus far. Additionally, in my discussions with other Coordinators, I found that the level of satisfaction or Dis-satisfaction with the Atlanta

center varied from school to school, and from state to state. This could be a result of isolated problems experienced by one particular school, or the expectations of the Veterans' Affairs Coordinator. To illustrate that last point, coordinators from one particular state were satisfied with the Atlanta center, and rated it better than the DVA Regional Office within their state. Never-the-less, when asked about timeliness and accuracy of claims processing at Atlanta, their responses differed very little from coordinators from other states who were less satisfied. In the same regard, the students surveyed indicated general satisfaction with the program. And, as one might expect, the fewer problems the student had in getting their benefits, the more satisfied they were with the program. Finally, the views presented are based upon the information from this year. No attempt was made to compile data from last year.

The general consensus is that while improvements are being made, there are a number of problems with the Regional Processing Center that must be resolved for the Montgomery GI Bill to become the effective tool it was designed to be.

Those areas that we consider problems at the Atlanta center, and I would suggest at other processing centers, can be classified into four basic categories: Timeliness of claims processing; The accuracy of the awards; The problems associated with communication between the veterans, and the schools, with the Atlanta center; and finally, the Department of Veterans Affairs and the Department of Defense communication and coordination.

The timeliness of claims processing and the accuracy of the awards was the major concern with both Coordinators and students. While I found exceptions at both ends of the scale, generally, it takes eight (8) to fifteen (15) weeks to process the claim and make the award. First time claims take the longest, at twelve (12) to fifteen (15) weeks,

while a new award, when the claim has already been established, takes the least, at six (6) to eight (8) weeks. Additionally, I did find examples where it took up to ten (10) to twelve (12) weeks to process a change of school request, where the student changed from one school to another (i.e. completed the Associates degree and transferred to a four year school). These time frames average three to four weeks longer than other DVA Chapters, and are computed from the time the application/certification is mailed or transmitted until the veteran receives his/her check. The timeliness of processing at the beginning of this year was undoubtedly affected by the major project of the Chapter 34 conversion to Chapter 30. It is important to note that the above figures do not include the processing times for these individuals. It did not seem appropriate to include this data since it was a one time occurrence. On the average it took longer to process conversions, with some cases taking up to five or six months.

The accuracy of the awards is less of a problem, but when they occur they have an adverse effect. While we understand that mistakes in a system this size must be expected, the following were mentioned frequently enough to be considered trends. These include: the students receiving two or more "Verification of Attendance" forms for the same period, or not receiving one at all; no confirmation that the Claim Application and/or Enrollment Certification was received and is being processed; "Certificate of Eligibility" forms and/or award letters not being received, or being received several weeks late; awards being denied, even though the documents submitted support the award; awards being suspended for no apparent reason; lost applications and/or documents; and, incorrect benefits being awarded in non-standard terms. In my estimation, these point to system problems as well as human error.

34-356 - 90 - 5

Communication is a continuing problem, and the communication difficulties being experienced are much the same as we have with our own regional offices. The basic problem is that neither the student nor the school has access to the person with the information and authority. To illustrate, let me use this example. A student has waited five weeks and has heard nothing about their DVA benefits. To find out the problem, the student calls the Toll free number at their Regional office (they cannot call Atlanta). The telephone person at the Regional office accesses the "Target" computer system to determine the status of the claim. If the information is on the screen then the veteran can be told what the problem is and what, if anything, needs to be done. Unfortunately, in most cases the claims application, or enrollment certification, has not been entered into the "Target" system, and the student is told to check with the school (or even worse that the school has not sent anything). The veteran then appears at my office wanting to know why we have not done our job. We then have to call a different number at our Regional office (we cannot call Atlanta), and try to have an inquiry done to determine the problem. If everything works as it should, in seven to ten working days we get a call telling us the status, or asking that we resubmit the package. By this time six to eight weeks has passed and the veteran has yet to receive a benefit check. In this example the problem is twofold. First, applications and Enrollment Certifications are not being entered into the "Target" system when received by Atlanta, (or any of the Regional offices for that matter). This means that there is no way of knowing if the application, and/or Enrollment Certification, has been received. To illustrate this point my school transmits the Enrollment Certifications electronically, so I know the exact day that the Chapter 30 Unit receives the Certification. However, I know from experience that it may

take three to six weeks before it appears on the Target system. Second, neither the student nor the schools have access to an individual who has up-to-date information available or the authority to take timely action. The frustration caused by this lack of communication causes the majority of complaints that I deal with on a day to day basis.

The accuracy of the Defense Manpower Data Center (DMDC) remains a major problem, not only in the processing of claims for Chapter 106, but also with Chapter 30. The fact that the DVA still bases eligibility solely on the data in this system, while ignoring submitted documents, is extremely frustrating. Not to mention the detrimental effect it has on the veterans, reservist, and national guard members whose benefits are denied or terminated. There are cases were veterans benefits were terminated and the individual instructed to repay all the entitlement because the DMDC computer erroneously changed their eligibility. In the same regard I have had cases where veterans were discharged early at the convenience of the government to attend College, only to be informed that they are not eligible for benefits. The latest case occurred earlier this year. The veteran had been in school for two months when he was told by the DVA that he was not eligible for VA benefits. By the time the problem was corrected (four months), the veteran had dropped out of school, moved back to his parents and obtained a full time job. Granted, this is a specific isolated case, but one that is repeated far too often throughout the country. My concern, and those of my colleagues, is that it does not appear that the Department of Veterans Affairs is an advocate for the veteran, but is only an administrator of the program.

We at the schools have no way of knowing all the actions or proposed solutions that Department of Veterans Affairs is considering to resolve these problems. I am

however aware of three: The first is to increase staffing at the Atlanta office; Second, allow and encourage schools to send advanced certification for Chapter 30 veterans; and, Finally, increase utilization of electronic certification. The first proposed solution, that of increased staffing, should have a positive impact upon both the timeliness and accuracy of claims processing. I am concerned, however, that without proper training and supervision, claims will be processed faster, but at the expense of accuracy. The end result will be increased workload on the schools and delayed benefits for the veterans. The second proposed solution is the advance certification of Chapter 30 veterans. The DVA policy instructs schools to disregard other DVA polices and send Enrollment Certifications up to 45 days in advance of the beginning of the term of enrollment. While my colleagues and I see this as a positive step, we do not feel this change addresses the real problem. At best it is a short term solution, and at worst, it could increase overpayments and possibly institutional liability. In addition, while our school is prepared to take any action that will speed claims processing, this new policy does require us to modify our computer software to accommodate two sets of rules. I believe that there are other schools that will find themselves in the same, or similar situation. Finally, my colleagues and I wholeheartedly support the move to electronic certification. The University of Central Florida is one of the few schools who is transmitting Enrollments Certifications electronically to the Atlanta center. I have found the system to be very effective at reducing the processing time for claims and the amounts of overpayments.

In addition to the above actions, we recommend the following changes be made or programs be implemented. First, it is recommended that the requirement to report every change in enrollment status be removed. Under current

policies a school must report all changes in enrollment, regardless of the effect on training time and entitlement. The recommended change would require schools to report changes in enrollment only when it effects training time and entitlement. This change would greatly reduce the number of changes being sent to Atlanta. Second, we recommend that the DVA immediately implement Electronic Certification at the four Regional processing Centers. Further, we recommend that the Optical Scanning system being used at the St. Louis processing center be installed at the other regional processing centers, and that a FAX system be installed so that missing documents can be sent immediately to the Chapter 30 unit. We see the move to computerized electronic certification as having the greatest potential to solve the problem of timely claims processing. For example, we have had great success with the system at the St. Petersburg Regional Office, with some students receiving checks within three weeks of the date certified. Third, we ask that an ombudsman be established at each regional process center and each Regional Office. The ombudsman would not only have access to the Chapter 30 files but also the authority to take the action necessary to resolve problems. Additionally, implement a toll-free number to the Regional Processing Centers for use by schools in resolving problems. Many times the problems that are causing the delay can be corrected over the phone or with a copy of a document. Fourth, that the DVA implement an aggressive training program for newly hired claims processing personnel, and that the DVA provide hands-on training for all new school DVA Certifying Officials. We believe that one long term solution to the accuracy of claims processing is to insure that those initiating and processing the claims are well trained. Fifth, that the Military Services be directed to provide documented counseling for servicemembers who are separating. The documentation should included a statement

that the eligibility status for Veterans Education Benefits was discussed, and that the member is aware of his/her eligibility. I am know of cases where members were separated early, and as a result, lost eligibility for benefits. However, evidence suggested that the veteran did not realize that they were not eligible. In fact, in some cases the DD form 214 states that the reason for separation was to attend school. We believe that this and our next two recommendations will help solve these problems. Sixth, that the Military Services be instructed to included, on the DD Form 214 "Discharge Document", the statement that the member is, or is not, eligible for veterans' education benefits, including chapter. The current discharge document has no place to indicate eligibility for DVA benefits, this would correct this deficiency. Finally, direct the DVA to use the DD Form 214 as proof of eligibility for veterans' benefits. There are cases that even when the DD Form 214 is correct, the DVA relies on the DMDC computer when making eligibility determination. We consider these last three recommendation to be needed for two reasons. By indicating eligibility on the DD Form 214 you have provided the veteran, the school, and the DVA with documented proof of eligibility. In addition, it also removes the burden of knowing all the eligibility requirements from the young service member and places it with the Military Services. We believe that if servicemembers are mistakenly given a discharge that makes them ineligible for benefits, it should be the Military Service that accepts the responsibility, and not the veteran.

I thank you very much for the opportunity to address the House Veterans Affairs Sub-Committee on Education, Training, and Employment. My colleagues and I commend the work that has been done by this committee to improve and ensure the success of the Montgomery GI Bill.

RECORD VERSION

STATEMENT BY

LIEUTENANT GENERAL JOHN CONAWAY

CHIEF, NATIONAL GUARD BUREAU

UNITED STATES AIR FORCE

BEFORE THE

SUBCOMMITTEE ON

EDUCATION, TRAINING, AND EMPLOYMENT

COMMITTEE ON VETERANS' AFFAIRS

UNITED STATES HOUSE OF REPRESENTATIVES

SECOND SESSION, 101ST CONGRESS

JULY 12, 1990

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
VETERAN'S AFFAIRS
COMMITTEE

LIEUTENANT GENERAL JOHN B. CONAWAY
CHIEF, NATIONAL GUARD BUREAU

Lieutenant General John B. Conaway is Chief of the National Guard Bureau, Washington, D. C.

General Conaway was born in Henderson, KY. He received a Bachelor of Science Degree in Business Administration in 1956 from the University of Evansville, IN. In 1975, he received a Master's Degree in Management and Human Relations from Webster College, St. Louis. General Conaway completed U. S. Air Force Commanders Safety School in 1969, Air Command and Staff College in 1971, Air University Commanders School in 1972 and the Industrial College of the Armed Forces in 1973.

General Conaway was commissioned a Second Lieutenant in the U. S. Air Force in June 1956. After basic pilot training, he attended advanced combat crew training, graduating in 1958. His next assignments were as an F-102 fighter interceptor pilot in the Air Defense Command at K.I. Sawyer Air Force Base and Kincheloe Air Force Base, MI. In 1960, General Conaway joined the West Virginia Air National Guard as an SA-16 pilot, flying a special forces operations mission. In 1963, he transferred to Kentucky Air National Guard's 123rd Tactical Reconnaissance Wing in Louisville, as an RB-57 pilot and, in 1965, became an air technician flying training instructor, flying RF-101s. He was called to active duty with the Kentucky Air National Guard in January 1968 and served in Alaska, Panama, Japan, and Korea. Upon deactivation in June 1969, he returned to the Kentucky Air National Guard as operations officer.

In October 1972, General Conaway was appointed air commander of the Kentucky Air National Guard. In December 1974, he was appointed Vice Commander of the 123rd Tactical Reconnaissance Wing which had units in Kentucky, Arkansas, Nevada and Idaho. Some of his other assignments have included duty as Wing Director of Operations, Wing Chief of Safety, Wing Chief of Standardization and Evaluation, Group Commander, Group Deputy Commander for Operations and Squadron Operations Officer.

General Conaway was recalled to active duty as Deputy Director of the Air National Guard in April 1977 and, in April 1981, he was named Director. He was reappointed Director in April 1985. On July 20, 1988 he was named as Vice Chief, National Guard Bureau. In February 1990, he was appointed as Chief, National Guard Bureau and promoted to Lieutenant General.

General Conaway is a command pilot with more than 6,000 hours in numerous types of aircraft. His many military decorations and awards include the Air Force Distinguished Service Medal, Legion of Merit, and Meritorious Service Medal. He is also the recipient of the Air Force's Eugene M. Zuckert Management Award and the Air National Guard's Order of the Sword.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I APPRECIATE THE OPPORTUNITY TO SUBMIT TO THIS COMMITTEE A BRIEF WRITTEN STATEMENT CONCERNING THE NATIONAL GUARD BUREAU POSITION ON THE EFFECTIVENESS OF THE MONTGOMERY GI BILL.

FIVE YEARS AGO, THE RESERVE COMPONENTS WERE IN NEED OF AN INCENTIVE PROGRAM; ONE THAT WOULD PROVIDE ASSISTANCE TO ITS MEMBERS AND PROSPECTIVE MEMBERS AND BETTER EQUIP THEM TO PROGRESS IN THEIR CHOSEN MILITARY CAREERS. CONGRESS RESPONDED WITH THE MONTGOMERY GI BILL.

SINCE ITS INCEPTION IN JULY 1985, THE MONTGOMERY GI BILL HAS PROVIDED A VALUABLE INCENTIVE TO THOUSANDS OF MEN AND WOMEN IN THE NATIONAL GUARD. OUR RECORDS INDICATE AN INCREASE IN THE RETENTION OF TALENTED GUARD PERSONNEL WITH A SIGNIFICANT INCREASE IN THE NUMBER OF SIX YEAR REENLISTMENT CONTRACTS AND HAS PLAYED A KEY ROLE IN ATTRACTING QUALITY RECRUITS MANY OF WHOM WILL BECOME CAREER GUARDSMEN.

WE AT THE NATIONAL GUARD BUREAU HAVE BEEN WORKING WITH OUR ACTIVE ARMY AND AIR COUNTERPARTS AS WELL AS THE DEPARTMENT OF DEFENSE AND THE VETERANS ADMINISTRATION TO ENSURE THAT ALL ELIGIBLE INDIVIDUALS ARE BEING INFORMED OF THE PROGRAM AND THE BENEFITS ASSOCIATED WITH IT.

SIMPLY PUT, THE PROGRAM IS WORKING. AS OF MAY 1990, OVER 72,000 ARMY NATIONAL GUARD MEMBERS WERE PARTICIPATING IN THE PROGRAM WHICH REPRESENTS 38 PERCENT PARTICIPATION OF THOSE ELIGIBLE. IN THE AIR NATIONAL GUARD THE NUMBERS ARE ALSO FAVORABLE WITH 17,134 MEMBERS ACTIVELY TAKING PART IN THE PROGRAM WHICH REPRESENTS 32 PERCENT OF THOSE ENTITLED TO PARTICIPATE.

ALTHOUGH THE MONTGOMERY GI BILL HAS AN IMPRESSIVE TRACK RECORD, WAYS TO IMPROVE AND EXPAND THE PROGRAM ARE CONTINUALLY CONSIDERED. ANY IMPROVEMENTS MADE BY YOUR COMMITTEE WOULD ONLY SERVE TO MAKE AN ALREADY VITAL PROGRAM EVEN BETTER.

THE MEN AND WOMEN OF THE NATIONAL GUARD ARE COMMITTED TO EXCELLENCE AND DEDICATED TO THE SERVICE OF THEIR COUNTRY. EACH INDIVIDUAL HAS TAKEN AN OATH TO DEFEND IT FREELY AND WITHOUT RESERVATION. WE OWE IT TO THEM, AS WELL AS OURSELVES, TO ENSURE THEY RECEIVE EVERY RESOURCE OBTAINABLE TO ACCOMPLISH THAT MISSION. THE MONTGOMERY GI BILL ACCOMPLISHES THAT GOAL AND PROVIDES THE NECESSARY EDUCATIONAL AND FINANCIAL BENEFITS THEY REQUIRE. IN SHORT, OUR ARMED SERVICES CAN ONLY BE AS GOOD AS OUR MEMBERS. THEREFORE, WE MUST CONTINUE TO STRIVE TO ATTRACT, TRAIN AND RETAIN QUALITY COMMUNITY-BASED SOLDIERS AND AIRMEN. THE NATIONAL GUARD BUREAU LEADERSHIP STRESSES THE IMPORTANCE OF THE MONTGOMERY GI BILL AND EAGERLY SUPPORTS IT.

MR. CHAIRMAN, THIS CONCLUDES MY STATEMENT. AGAIN I WANT TO THANK YOU AND YOUR COMMITTEE FOR YOUR SUPPORT OF THE NATIONAL GUARD IN THE PAST AND LOOK FORWARD TO WORKING WITH YOU IN THE FUTURE.

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

from

STEVE A. ROBERTSON, ASSISTANT DIRECTOR
NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION

to the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

on

MONTGOMERY GI BILL

JULY 12, 1990

The American Legion welcomes the opportunity to present its views on the implementation and effectiveness of the Montgomery G.I. Bill which was established under Title VII of Public Law 98-525. The American Legion applauds the Committee for its work in the development, passage, and amendments of the Montgomery G.I. Bill.

The stated program purposes of the Montgomery G.I. Bill are to assist members of the Armed Forces to readjust to civilian life after their separation from military service; to assist the All-Volunteer Force program and the Total Force Concept of the Armed Forces by establishing a program of educational assistance based on Active Duty service or a combination of Active Duty service and in the Selected Reserve (including the National Guard); to aid in the recruitment and retention of highly qualified personnel for both the Active and Reserve Components of the Armed Forces; and to give special emphasis to providing educational assistance benefits to aid in the retention of personnel in the Armed Forces.

The educational assistance programs of the Montgomery G.I. Bill are funded and administered by the Department of Veterans Affairs for the Active Duty components except for "kickers" and supplemental programs which are funded by the Department of Defense. The educational assistance programs for the Selected Reserve are also funded by the Department of Defense. It comes as no surprise that the permanent Montgomery G.I. Bill has served as a strong, cost effective recruiting tool for our Armed Forces.

As the Military Services draw-down, we believe the Montgomery G.I. Bill will gain heightened importance both in assisting the transition of service members to civilian life and in attracting quality, albeit fewer, accessions into the Armed Forces. To retain its competitive edge in attracting quality men and women into the Services, however, the dollar value of educational benefits must remain commensurate with average collegiate tuition costs which continue to escalate. The necessity of possessing a college degree appears to be gaining in importance as more and more service members join the ranks of increasingly competitive civilian employment. We would advocate, therefore, that a mechanism be established to determine if the dollar value of Montgomery G.I. Bill educational benefits is keeping pace with annual average collegiate tuition costs.

The second point deals with the initial 72-hour enrollment period when brand new service members at recruiting stations are required to indicate whether they desire to enroll in the Montgomery G.I. Bill program or not. We believe that service members should be afforded an extended enrollment period as the initial 72-hour enrollment period may be premature and might be conducive to excluding those service members who may subsequently opt for early-outs or who are involuntarily separated. Recruits should not be required to make an irrevocable decision so early in their service, particularly if other active duty members might enroll at any point in their military careers. We would also not be opposed to allowing members who entered the service prior to the 1985 starting point to sign up for the program. Recognizably, participants would be required to contribute $1,200 to qualify for benefits which highlights the need for an extended enrollment period early in the service member's enlistment or career rather than allowing members to wait for a final enrollment "window" before leaving the service.

The American Legion would not be opposed to extending Montgomery G.I. Bill eligibility to service members covered by the Veterans Educational Assistance Program (VEAP) which provided educational benefits to people who came on active duty between December 31, 1976, the end of the Vietnam G.I. Bill eligibility, and July 1, 1985, the starting date for the Montgomery G.I. Bill. Only 15 percent of those eligible for VEAP enrolled, and many who contributed money later withdrew it. VEAP participants should be allowed to convert to the Montgomery G.I. Bill, which has an 8-for-1 payback rather than VEAP's 2-for-1 contribution. Again, they would be required to make the $1,200 contribution to become eligible.

In earlier testimony before this Subcommittee, The American Legion did not oppose the provision that service members receive Honorable Discharges to be eligible for Montgomery G.I. Bill benefits. We are still not opposed to this requirement. Granted, each branch of the Service traditionally interprets the Department of Defense Directive in their own way as to what constitutes honest, faithful and honorable service. To dilute the Honorable Discharge eligibility requirement would be equivalent to reducing the high standards of conduct and performance expected of the military services. Any former service member who enrolled in the Montgomery G.I. Bill program and subsequently received a less than Honorable Discharge has further recourse to eligibility through the Discharge Review Boards and the Boards for Correction of Military Records.

The requirement that service members to be eligible for educational benefits must have served at least 20 continuous months on an enlistment of less than 3 years and at

least 30 continuous months on an enlistment of 3 years or more as prescribed in Title 38, Chapter 30, Section 1411 of the Public Law, needs to be revisited. As the Services continue to draw-down, and faced with the likelihood of involuntary separations, it appears that there may have to be exceptions to this requirement or that the requirement be waived in its entirety. We in The American Legion have experienced instances of service members granted early releases to attend college ROTC programs who were subsequently denied their educational benefits and denied a refund because they had not served 30 consecutive months on Active duty. The only recourse was for these former service members to appeal to the Boards for Correction of Military or Naval Records so that additional constructive service would be indicated on their DD 214 Discharge Certificates. We feel that prolonged actions such as this, requiring nearly two years for resolution, could have been easily avoided.

Mr. Chairman, there has been considerable conjecture over the possibility of deriving a so-called "peace dividend" from the proposed Defense budget to redirect toward domestic priorities. If there is a peace dividend, we believe it should be invested into a comprehensive transition benefits package, to include Montgomery G.I. Bill educational benefits, to assist the thousands of dedicated servicemen and women our government chooses to release from active duty. These veterans have voluntarily elected to serve their country, endured the hardships attendant to service life, and have preserved the peace we enjoy today. This great country can afford to do no less.

NCOA

Non Commissioned Officers Association of the United States of America

225 N. Washington Street • Alexandria, Virginia 22314 • Telephone (703) 549-0311

STATEMENT OF
RICHARD W. JOHNSON, JR.

DIRECTOR OF LEGISLATIVE AFFAIRS

submitted to

SUBCOMMITTEE ON EDUCATION,
TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS

U.S. HOUSE OF REPRESENTATIVES

on

G.I. BILL IMPROVEMENTS

JULY 12, 1990

NCOA regrets that a schedule conflict precludes participation in this most important hearing on the Montgomery G.I. Bill. However, the Association sincerely appreciates this opportunity to share its written submission with the committee.

The Montgomery G.I. Bill is probably the single most important and most successful piece of legislation adopted by Congress during the 1980's. More than one million military recruits have participated in the program. Together, they have contributed nearly $1 billion to its operation. Notwithstanding its obvious success in attracting participants, there is still room for improvement in the program.

Benefit levels for example have not been increased since the program was enacted in 1984. Actually the benefit levels were not set with enactment in 1984, but when the proposal was written in 1982. Meanwhile a partially indexed test program of education benefits created while the Montgomery G.I. Bill was under consideration provided initial benefits of $300 but now pays $467. Accordingly, NCOA believes benefit levels should be increased for both active and reserve participants in the Montgomery program. And, to prevent such future decline in benefit values, the Association would support some automatic adjustment mechanism.

Participant fees in the program continue to discriminate against young servicemembers whose financial position does not allow them to make the $1,200 pay forfeiture necessary for MGIB enrollment. The Association continues to support elimination of such fees. However, since Congress seems intent on retaining such fees NCOA believes they should be spread over a longer period of time. For example: $50 per month for 24 months. Another way to mitigate the fee impact is to reduce it in relation to length of service. For example: 2 year contract, $1200 fee; 3 year contract, $900 fee; 4 year contract, $600 fee; 6 year contract, $300 fee.

Under current law the only time participation fees are refunded is if a servicemember dies on active duty. Actually, survivors receive a "death gratuity" in an amount equal to any pay forfeiture the deceased made for MGIB participation. Frankly NCOA thinks it is unconscionable for government to keep any money collected without providing a service. Those who participate without subsequently enrolling in school should receive a refund after their delimiting period expires. If government is unwilling to make such refunds, at least those who are disabled by service or die of service connected disability, after service, should get their money back.

Finally, impending force reductions present transition problems for both the career and short term servicemember. Particularly hard hit will be those people who initially enlisted between January 1, 1977 and June 30, 1985 for whom a G.I. Bill did not really exist. Several transition plans now pending before Congress would open MGIB enrollment to those who previously declined to participate. Other plans would reopen VEAP enrollment while still other plans would make education benefits available to only those who are involuntarily separated. Frankly, this is a tremendous source of concern.

While something must be done to accommodate the transition needs of individuals caught up in force reductions, Congress must not forget the welfare of those who remain on active duty or the needs of those who will serve in the future. The best way to accommodate all these individuals is to permanently open enrollment in the program. This would allow those entering

service to participate at their convenience and would allow those leaving service a chance at G.I. Bill enrollments to aide them in transition.

Overall the Montgomery G.I. Bill is a fine piece of legislation. However, NCOA believes providing open enrollment, refundable contributions, and improved benefit levels would make it excellent.

THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

OCT 2 1990

The Honorable G. V. (Sonny) Montgomery
Chairman, Committee on Veterans' Affairs
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed please find the Department's responses to questions raised by Representative Timothy J. Penny, following the July 12, 1990, hearing on the Montgomery GI Bill. A copy of the responses has been provided to Representative Penny.

Sincerely yours,

Edward J. Derwinski

Enclosures
EJD/flc

1. In your testimony you indicate that all four of the regional processing offices (RPOs) are currently meeting the established standards for the processing of original claims and that three RPOs are meeting the standard for supplemental claims. Yet, at Veterans Forums held in Minnesota, South Carolina and Texas, we have heard complaints from veterans about delays in processing their claims and in the receipt of their benefit checks.

Q: Do you think that these complaints are isolated cases or is there a problem in the chapter 30 processing system?

A: There were growing pains in the beginning of RPO processing. We think that things are working well now. Evidence of this is the decline in inquiries.

Q: What would you say are the primary reasons for the processing and payment delays?

A. We find there are several reasons which cause the delays: the veteran not getting us the information, the school not getting us the information, and VA delays. An additional element is the DOD connection in both parts of the Montgomery GI Bill. Generally, it takes us about two weeks to work a claim. However, longer delays are caused by the need to develop. On balance, we are working through the problems. We conduct training with schools on a regular basis and we believe that, with this training and outreach to the schools and to veterans, we will succeed.

Q: Could a lack of staff and ADP equipment at the four RPOs be a factor in such delays?

A: It was a factor in the beginning. However, it is not currently. Each of the RPOs currently has the necessary equipment and personnel to handle the expected cases.

Q: In your opinion, is there adequate training of Veterans Benefits Administration (VBA) personnel in the administration of chapter 30? Could you describe the training which is provided?

A: Yes, we think there is adequate training. The training is described as follows: it consists of instruction in the background laws, types of educational programs available, eligibility determinations and other elements consistent with the knowledge necessary to process a case. Emphasis is placed on individual assistance and "hands-on" experience.

Q: What actions can be taken by DVA and DOD to improve the timeliness of chapter 30 processing?

A: There have been minimal problems with DOD in this regard. However, when problems do develop both agencies make use of fax technology to resolve them as quickly as possible.

Q: Would it be possible for you to provide the Subcommittee the percentage of original and supplemental chapter 30 claims completed within thirty, sixty and ninety days by each RPO?

A: For original claims, our benchmark is 66.7% completed in 30 days or less; our standard is 94.8% completed in 90 days or less. For June, the figures are as follows (benchmark is first, followed by the standard): Atlanta - 82.4/96.6; Buffalo - 84.7/99.1; Muskogee - 87.8/98.0; St. Louis - 84.1/98.2.

For supplemental claims, our standard is 88.7% completed in 30 days or less. For June the figures are as follows: Atlanta - 81.1%; Buffalo - 89.9%; Muskogee - 91.8%; St. Louis - 94.5%.

2. You have stated that aggressive action was taken to prevent overpayments in the chapter 30 program by requiring monthly

certifications to confirm school attendance, and that the processing of these certifications has been streamlined through the use of bar-coded forms and scanners. Your efforts to prevent mispayments are to be commended. However, the Subcommittee continues to receive complaints concerning delays in the receipt of the certifications of attendance and in the receipt of benefit checks.

Q: Has the (VBA) undertaken a study of the chapter 30 monthly certification process?

A: VBA completed a study of the chapter 30 monthly certification process during September 1989.

Q: If so, what are its findings and recommendations?

A: The findings were as follows:

Actual debt in the chapter 30 sample would have been 50% greater without self-certification.

Monthly self-certifications have been processed timely.

Significant debt can be avoided with a monthly self-certification requirement.

It will cost $1 to prevent $5 in debts.

Recommendations of the study:

Continue the requirement for monthly self-certification in chapter 30.

Extend the requirement for monthly self-certification to chapters 32, 35 and 106.

Assure that ADP resources are available to process monthly self-certification expeditiously.

Q: Would you share a copy of the study with the Subcommittee?

A: Yes. A copy of the study is attached.

Q: Do you believe that monthly certifications of attendance have been successful in preventing mispayments in the chapter 30 program? Would it be possible for you to provide the Subcommittee information on the number and amount of chapter 30 overpayments?

A: We believe that monthly certifications have been successful in preventing overpayments. Chapter 30 overpayments at the end of May 1990 were $1,682,946. The number of overpayments was 4,888.

Q: After DVA receives the monthly certification, how long does it take to process the certification and to issue a check to the beneficiary?

A: It takes an average of 15 days to process the certification and issue a check.

Q: Do monthly certifications of attendance contribute to delays in the release of benefit payments to veterans?

A: Yes, to the extent indicated in our response to the previous question.

Q: What other steps, besides the use of bar-coding and scanners, can be taken to improve the issuance and processing of monthly

certifications and to further expedite the payment of benefits to eligible veterans?

A: In June of this year, we made arrangements with our data processing center for an earlier release schedule for certifications to insure more timely release of payments. Also, several weeks ago, we initiated a pilot VADATS (Veterans Administration Data and Telecommunication System) project. This project makes use of mass data input directly to the ADP system. The old system involved a slower, case-by-case system of input. In addition, during fiscal year 1991, we are anticipating implementation of a pilot project for touchtone phone input by the veteran for monthly certifications, which could eliminate certification mailing times and delays.

Q: You mentioned the use of touchtone telephone input as a potential method for students to certify their attendance. Could you describe to the Subcommittee how this would work?

A: The student would be issued a PIN (personal identification number). No certification would be issued unless the student was unable to use the telephone input system.

The student would then be able to call the 800 number anytime on or after the first of the month. Voice prompts would lead the student to enter certification data to update the benefit payment system. The individual should receive payment six to nine days after placing the call.

3. Q: Although monthly certification has been an effective tool in controlling overpayments, it seems to me it is also a contributing factor in the delay of benefits to veteran-students. If the DVA were to send the benefit check to a designated school official who would then issue it to the veteran after confirmation of enrollment, wouldn't the same overpayment protection be given while, at the same time, speeding up the process?

A: Although it would appear that allowing school officials to distribute benefit checks would reduce delays in payments to beneficiaries, we have concerns about schools' ability and willingness to administer this function. Particularly in cases of schools having large veteran enrollments, there may not be in place adequate systems and staff to handle this added responsibility. Additionally, difficulties will likely arise with delivery of payments to students who are training in locations away from the main campus or who are attending classes after the normal operating hours of the schools' administrative offices.

4. The Subcommittee has also received reports of veterans and school officials receiving incorrect or incomplete information about chapter 30 claims from VA regional offices. In some cases veterans and school officials located in states other than New York, Georgia, Missouri and Oklahoma have been told to call or write the RPO processing their claims for information.

Q: Could you describe how VBA responds to written and telephone inquiries about chapter 30 claims from veterans and school officials?

A: Veterans Benefits Counselors at our local regional offices have access to all chapter 30 records through our ADP system. In those few cases in which the inquiry cannot be answered from the information available through our system, inquiry is referred to the regional processing office to secure the necessary information.

Q: Do the Veterans Services Divisions in the VA regional offices and in the RPOs have sufficient personnel and equipment to respond to these inquiries?

A: Our Veterans Services Divisions at the four regional processing offices are adequately staffed and equipped to handle these inquiries. Generally, all other offices are likewise staffed and equipped with adequate resources to manage the current and anticipated workloads.

Q: Given that chapter 30 claims are processed in four RPOs and that chapter 30 trainees and schools are located in all fifty states and overseas, what steps is VBA taking to insure that regional office and RPO personnel are fully trained to properly respond to such inquiries?

A: We have recently sent an extensive training package to our 54 regional offices and the four regional processing offices to ensure that personnel responsible for handling inquiries from veterans and schools are provided with the most complete and current information available regarding the chapter 30 program.

Q: In testimony we will hear later, it is pointed out that it can take 7 to 10 days to get an answer to a question about a particular GI Bill case because of the structure of the current procedures. Wouldn't it make sense to install an 800-number at the RPOs so that questions can be answered quickly?

A: Presently, toll free telephone service is available to all VA regional offices. Service is provided covering the full range of VA benefits through this toll free telephone service program. Chapter 30 issues are not considered more complex than other VA benefit program issues. We have, however, considered whether establishment of special toll free services on chapter 30 should be provided from the RPOs. Our current preference is to maintain the full involvement of all regional offices in chapter 30 matters. Most chapter 30 inquiries are locally resolved in immediate fashion. Some require RPO research and resolution time varies according to issue and complexity. However, most formal inquiries with RPO involvement are resolved more rapidly than the 7 to 10 days referenced. We do have a 10 workday standard for resolving inquiries and responding to general correspondence.

5. Q: It was also suggested by a veteran at one of our forums that education checks be accompanied by an insert or statement which shows the dates covered by the check. Would you support this?

A: In our other VA education programs, the period that the education check covers is printed on the check itself. We include this information on the pay tape that is sent to the Treasury Department for the generation of the chapter 30 checks. We are holding discussions with the Treasury Department to have this information printed on the chapter 30 checks.

6. In an April 18, 1990 letter, Secretary Edward Derwinski indicated that the unpredictably high number of chapter 34/30 conversion cases and the peak education workload between December and February caused the chapter 30 pending workload to rise dramatically in early 1990. He also stated that with increased staffing and overtime, which you discussed in your testimony, the workload was beginning to return to more reasonable levels. During the last three months, the total chapter 30 weekly pending workload has fluctuated from a high of 23,152 on April 23 to a low of 11,672 on May 29. As of June 25 it was 19,118.

Q: Are the chapter 34/30 conversion cases still having an impact on chapter 30 workload and processing?

A: The chapter 34/30 conversion cases are still having an impact on pending cases. An additional group of potential eligibles was identified and this group is now being processed by the RPOs.

Q: Do you consider the current weekly pending workload to be too high?

A: We do not consider the current pending cases to be too high at this time.

Q: What do you consider a "reasonable" weekly pending workload?

A: We believe it is more important to view the length of time it takes a case to be processed. The ordinary case usually is processed within a couple of weeks.

7. You have testified that, as a result of the chapter 34/30 conversion process, the workload is now unevenly divided among the four chapter 30 RPOs. Buffalo has 15% of the workload; St. Louis 22%; Atlanta 30%; and Muskogee 33%. You also stated that adjustments were made. Staff were reassigned, ADP equipment was purchased and overtime was authorized.

Q: Does each of the four RPOs now have sufficient staff and data processing equipment to timely and efficiently process its portion of the chapter 30 workload?

If not, what steps are being taken to insure that each RPO will be fully staffed and will have the proper equipment to timely and efficiently process its chapter 30 workload?

A: Each of the RPOs now has equipment in place to process the cases. Staff are being hired and trained on the additional equipment in order to be ready for the Fall enrollment.

Q: Has consideration been given to a realignment of the RPOs' claims processing responsibilities?

A: A realignment of RPO claims processing responsibilities has been considered. It is an option if the chapter 30 caseload dramatically increases along with other possible options such as temporary shifting of staff.

8. Recent projections for chapter 30 trainees in future fiscal years are significantly higher than the projections included in the FY 1991 budget sent to the Congress. Accordingly, it would seem that the benefit and staffing requests for chapter 30 in the FY 1991 budget are now understated.

Q: Are you planning a supplemental request to cover this apparent shortfall in both benefit outlays and the staffing required to process chapter 30 claims?

Q: If not, what actions will you take to insure the timely and accurate delivery of benefits to chapter 30 trainees?

A: Our 1992 budget, which includes revisiting the 1991 budget estimate, is currently under review by VA management.

Chapter 30 benefits are paid out of the Readjustment Benefits (RB) account. Should an unanticipated shortfall occur, other activities of the RB appropriation could fund any increase needed for Chapter 30.

9. Much has been written and discussed lately about future reductions in military force levels which will result in large numbers of individuals being discharged from active duty service over the next five years.

Q: Has the Department of Veterans Affairs been in contact with the Department of Defense about the reductions in force and the impact such reductions will have on Montgomery GI Bill participants and trainees?

A: VA has been in contact with DOD on troop reductions. No definitive information is as yet available from DOD.

Q: In the event that the number of chapter 30 trainees during the next five years is substantially higher than the current estimate, what are your plans to guarantee that the four RPOs can adequately process the chapter 30 workload?

A: A number of options have been discussed to manage additional workload from troop reductions. Work will be brokered among offices, if necessary, or staff will be shifted to the work.

Q: Would you consider adding additional regional processing offices to handle the chapter 30 workload?

A: Yes.

10. As you know, the Subcommittee is also concerned about the timely and accurate delivery of chapter 106 benefits. During the Veterans Forums we heard from reservists and guardsmen who complained about the length of time it takes to receive their first benefit check.

Q: What do you consider are the major factors or problems contributing to the delays in processing chapter 106 claims?

Q: How should these problems be addressed?

A: The major delay in processing claims is the time it takes the reserve units to furnish eligibility information to DMDC. Once DMDC receives this information, it is timely transmitted to VA. VA has discussed this problem with the Service Departments. The Service Departments are conducting training with unit personnel on the timely submission of data and the proper coding procedures to use to transmit this data to DMDC.

11. In an April 23, 1990 letter responding to our concerns, Secretary Derwinski delineated DVA and DOD responsibilities in the administration of chapter 106. He stated that DVA would support and assist DOD and the individual reserve components to formulate a means of identifying and notifying eligible reservists at the time of eligibility and in providing this information simultaneously to DMDC.

Q: Has DVA been in contact with DOD and the reserve components regarding this matter?

If so, what was the outcome of the discussions?

A: VA has been in contact with DOD concerning this. VA has suggested an automated Notice of Basic Eligibility (NOBE) to facilitate the data exchange. VA needs an earlier notification of eligibility to provide benefits in a timely manner. We understand there is no DOD wide initiative to develop an automated NOBE due to financial constraints at this time. As an alternative, additional training is being provided to unit personnel on the need for accurate and timely submission of data to DMDC.

12. According to testimony which we will hear later, the National Guard and the Major Army Reserve Commands have established Education

Services Officers (ESOs) to administer all education programs.

Q: Has VBA been provided the names, addresses and telephone numbers of these ESOs?

A: VA will contact the National Guard and Major Army Reserve Commands for the names, addresses, and telephone numbers of the Education Services Officers. The information will be referred to all regional offices.

13. During the Veterans Forums we have been told by veterans, reservists and school officials that they were unaware of various requirements for the submission of claims and certifications under the Montgomery GI Bill (MGIB) and of the appropriate office responsible for the resolution of problems and questions.

Q: What outreach efforts has VBA made and what are VBA's future outreach plans to insure that veterans, reservists, school officials and other interested parties are informed about the MGIB?

A: We have made extensive use of training seminars conducted by our 58 regional offices in an effort to ensure that school officials responsible for the processing of enrollment documents for veterans and reservists are provided with the most current information available regarding the chapter 30 and the chapter 106 programs.

14. Public Law 101-237 required DVA to prepare and distribute on or after July 1, 1990 a detailed document describing the benefits, procedures, requirements and other pertinent information regarding veterans' educational assistance programs. The document was to be sent to individuals who apply for DVA education benefits and to education and training institutions and to military services for their use.

Q: Can you tell us the status of the document, particularly as it pertains to the MGIB?

When do you anticipate its distribution?

A: VA is preparing individual benefit pamphlets for chapter 30, 106, 32, and 35, and section 901 recipients. We anticipate making the initial distribution to veterans and servicepersons currently receiving benefits and educational institutions during September 1990.

15. On March 26, 1990 Chairman G. V. (Sonny) Montgomery wrote to Secretary Derwinski asking that he recommend an increase in chapter 30 basic benefits and in chapter 106 benefits in order to offset the inflation in education costs which has occurred since the enactment of the program.

Q: Will DVA recommend and support this increase in MGIB benefits?

A: We have received the Chairman's letter of March 26. The request is under review and consideration by VA top management officials.

Q: If so, when can we expect DVA's legislative proposal?

If not, what are DVA's reasons for not supporting an increase in MGIB benefits?

A: If the Chairman's request is approved, the normal time frame for a legislative proposal would be the next VA legislative submission.

16. Earlier in the year there were reports of problems with ADP equipment in the Muskogee RPO which were affecting the processing of chapter 30 claims. Since the Muskogee RPO is responsible for 33% of the chapter 30 workload, this would seem to be a critical situation.

Q: Could you briefly describe those problems?

A: The basic problem in Muskogee was an intermittent ADP condition which kept bringing the system down during peak work hours. Engineers came to the office numerous times and were unable to fix it. Difficult-to-detect errors were made in connecting additional equipment to support the increased number of claims.

Q: Have the other RPOs experienced similar problems?

A: The other RPOs did not experience these problems.

Q: What actions have been taken to correct the problems?

A: An engineering team from our Hines facility and from Honeywell rectified all of the ADP problems in Muskogee and the equipment is fully operational.

Q: Have these actions been successful?

A: These actions have been successful.

17. Q: Has the processing of chapter 30 claims affected the administration of other programs (i.e., other education, vocational rehabilitation, compensation, pension programs) at the four RPOs? In what ways?

A: The general trend of C&P timeliness and quality at the four RPO stations has been one of little change for the past year. The four stations generally had acceptable timeliness and quality before they were RPOs, and they still do. The pending compensation and pension workload has increased but we expect this trend will be temporary.

18. In your testimony you mention that the optical disk project in the St. Louis RPO was the first successful integration of such technology in the Federal Government and that it has been recognized in national computer publications. You also state that this successful research and development project will help integrate the technology into modernization plans. You and VBA should be commended for seeking new and innovative technologies to handle and process the large volume of claims and documents received by VBA.

Q: Would you inform us of the current status of and future plans for the optical disk project?

How does optical disk technology fit into VBA's modernization plans?

A: We will maintain optical disc in St. Louis to process chapter 30 claims until we complete stage 2 of modernization. Stage 2 modernization is the procurement cycle which will provide imaging technology to regional offices, across program lines. The request for proposals is projected for Spring of 1992.

19. VBA has been conducting a test program in a number of states involving the electronic transmission of enrollment certification data. In testimony we will hear later, the test is considered a great success by veterans program administrators.

Q. Could you give a brief description of this test program? Would such a system help DVA improve the timeliness of education claims processing? Does DVA intend to expand the use of electronic enrollment certifications?

A: VACERT, the electronic education certification program, is a copyrighted personal computer program to generate enrollment certifications and notices of change in student status, print records, and create transmission files. Schools use communications software to transmit the files to local regional offices and chapter 30 regional processing offices.

The program has been successfully used by a limited number of schools and regional offices as part of a test. As a result of the test, we have found that the program can improve the timeliness of education award processing and reduce overpayments. Pending the resolution of certain legal issues, we plan to export the program to all regional offices when funding is obtained.

20. Secretary Derwinski also said that a redesigned chapter 106 benefit payment system in combination with a continued emphasis on training will improve the award and delivery of chapter 106 benefits.

Q: Is the redesign of the chapter 106 system still on schedule?

A: The Interim chapter 106 payment system was installed on August 26, 1985. The design and development effort to provide an enhanced chapter 106 system will begin shortly, as described below.

Q: When do you expect the complete chapter 106 system to be fully operational?

A: VBA is undertaking a new approach to the development of system requirements for the chapter 106 redesign. The contracting process has taken somewhat longer than originally anticipated. In the interim, development of a microcomputer application to pay the new flight, correspondence and OJT/Apprenticeship benefits which will become available to chapter 106 trainees on October 1, 1990, has been initiated. This system should be in place on time to pay eligible trainees in October. Development of the redesigned system will begin in September 1990; an installation in late 1992 is planned.

Q: What plans do you have for the periodic training of personnel involved in the administration of chapter 106?

A: The Adjudication Training Academy provides chapter 106 training to new employees. This is ongoing. Additional training in each regional office is provided to all employees as needed.

Early in 1989 we assisted the American Association of Collegiate Registrars and Admissions Officers in a major revision to their publication Certification of Students Under Veterans' Laws in order to provide schools with a complete guide to the processing of claims under all our programs. We have already issued one update of this publication and anticipate issuing another later this summer to incorporate the changes resulting from legislation enacted last session.

Our regional offices have participated in numerous conferences and training sessions with reserve and National Guard organizations to provide the most current information available. On a national basis, our Central Office staff periodically participates in national training conferences conducted by reserve and National Guard activities.

Later this year we will be sending reservists and guardsmen receiving benefits a pamphlet which will provide complete information regarding the operation of the program. The pamphlet will include instructions on certification requirements, mitigating circumstances, program changes, training time changes and other pertinent information to assist them in understanding how the program operates. This will enable eligible reservists and guardsmen to make the most intelligent use of their education benefits.

MONTGOMERY G I BILL ACTIVE DUTY

EDUCATIONAL ASSISTANCE PROGRAM
(CHAPTER 30)

EVALUATION OF
MONTHLY SELF VERIFICATIONS

PREPARED BY:

THE VOCATIONAL REHABILITATION & EDUCATION SERVICE

VETERANS BENEFITS ADMINISTRATION

DEPARTMENT OF VETERANS AFFAIRS

September 30, 1989

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The Veterans Benefits Administration (VBA) is responsible for assuring correct, timely, and cost effective handling of the various education benefits programs assigned to the Department of Veterans Affairs (VA). Historically, education benefit programs have been subject to a high rate of overpayments. This has typically occurred by paying for semester intervals when the student did not continue and by continuing payment after the student reduced or terminated training. In order to reduce creation of a significant amount of debt VBA implemented a monthly self verification requirement as a two year test in the Chapter 30, Montgomery G.I. Bill - Active Duty Educational Assistance Program. The Chief Benefits Director instructed the Vocational Rehabilitation and Education Service to evaluate the results of the test and submit a report by September 30, 1989. A draft report was prepared for top management on September 20. On September 27, the Administrator's Educational Assistance Advisory Committee was briefed on the report's conclusions and their comments along with others from VBA and elsewhere were incorporated in this final version.

The test had three objectives:

I. Determine whether monthly self verifications result in debt avoidance. (Self verification means the claimant must verify the period of attendance and the number of units he/she takes each month before payment is released.)

II. Determine whether VA can process self verifications timely and continue to provide claimants with routine dependable payments.

III. Determine whether a self verification requirement is cost effective.

This study looked at debts in the chapter 30 program with monthly self verifications and debts in nonchapter 30 programs without self verification and had several major findings:

* Actual debt amounts in the chapter 30 sample would have been 50% greater without self verifications.

* Over 50% of debts in the sample of nonchapter 30 cases could have been avoided had monthly self verification been required.

* Monthly self verifications have been processed timely.

* Processing verifications costing $7,000 would have prevented $36,000 of overpayment in the sample of nonchapter 30 cases.

* Not processing verifications in the chapter 30 sample would have saved $5,000 in processing costs, but resulted in $28,000 of additional debt.

- Debt collection activities cost VA $.99 per month for each account receivable. Approximately 18% more cases would have required collection activity each month. Self verifications prevented 40% of all reductions in the sample from becoming debt collection cases.

- Debts (approximately $28,000 in the sample) will still occur in chapter 30. They are caused as follows:

  10% result from school error
  20% from advanced pay adjustments
  50% from students failing to provide mitigating circumstances after reduction/withdrawals
  20% from miscellaneous causes (e.g., errors by VA, schools, and claimants)

The findings of this study have led us to the following conclusions:

- $150,000,000 current debt in nonchapter 30 programs would have been $75,000,000 had self verifications been required.

- $965,000 in chapter 30 debt would have been $1,400,000 had self verifications not been required.

- Significant debt can be avoided with a monthly self verification requirement.

- VA should be able to timely process verifications so that claimants will receive payment at about the same time each month.

- It will cost $1 to prevent $5 in debts. As volume increases in the future, the cost to benefits ratio will be even more favorable with improved automation.

- Monthly collection cost savings (currently $206) are increased by having 18% fewer accounts in overpayment status. For example, 100,000 overpayment accounts without monthly certs would be 82,000 accounts with monthly certs, saving $17,820 each month in collection expense.

RECOMMENDATIONS

1. Continue the requirement for monthly self verification by all chapter 30 IHL claimants.

2. Extend the requirement for monthly self verification to chapters 32, 35, and 106.

3. Assure that ADP resources are available to process monthly self verifications expeditiously.

BACKGROUND

AND

WORK PLAN

BACKGROUND

Section 1434(b), Title 38 United States Code, which is found in Chapter 30, the Montgomery GI Bill-Active Duty, provides that subject to such reports and proof as the Secretary of the Department of Veterans Affairs may require to show an individual's enrollment in and satisfactory pursuit of such individual's program, the Secretary may withhold payment of benefits to such individual until the required proof is received and the amount of the payment is appropriately adjusted (Pub. L. 99-576). This differs from the original legislation in two areas. First, section 1434(b) initially directed that NO payment be made until VA received a certification of attendance from the eligible individual. Second, this certification (or a separate document) had to be endorsed by the educational institution as verification of the individual's attendance.

Because of the concern for excessive debt under other education programs, VA decided to implement a monthly self verification process for chapter 30 IHL claimants as a debt prevention initiative.

This monthly self verification requirement for IHL students is not applied to other VA educational assistance programs. (However, claimants in noncollege degree programs have been required to submit monthly attendance reports confirmed by schools or employers.) Some VA claimants change their course load or drop out of school without promptly notifying the VA or their schools. In programs where monthly self verifications are not required, payments continue to be issued for the time period and training rate last certified by a claimant's school. Often by the time VA is notified and adjusts payment rates, large overpayments are created.

The Chief Benefits Director, recognizing the importance of this issue, directed that the monthly self verification requirement be tested for two years and a study be conducted to assess the effectiveness of the measure. The test was scheduled to run for approximately two years, from September 1, 1987, through September 30, 1989. Depending on the results, the requirement could be eliminated, continued, modified, and/or expanded to include other VA educational assistance programs.

The test program needed to address three general areas and have positive findings to justify continuation of a monthly self verification requirement:

OBJECTIVE 1

Determine whether monthly self verifications result in debt avoidance.

OBJECTIVE 2

Determine whether VA can process self verifications timely and continue to provide claimants with routine dependable payments.

OBJECTIVE 3

Determine whether a self verification requirement is cost effective.

WORK PLAN

The Education Field Operations Staff (223A) of the Vocational Rehabilitation and Education (VR&E) Service began the study of the effectiveness of the monthly self verification process with an initial review of ten chapter 30 claims folders for claimants who attended the Fall 1987 school term. VR&E also reviewed twenty-nine claims folders from the St. Louis regional office for claimants under education programs chapter 32, 34, and 35. From this first review VR&E Service developed two data collection sheets, one for chapter 30 and one for nonchapter 30 reviews.

In March 1988 a two person team from VR&E Service went to the St. Louis regional office to review chapter 30 claims that had VA Form 22-8979, Student Verification of Enrollment for a Course Leading to a Standard College Degree, and had overpayments of record. (VA Form 22-8979 will be referred to as a self verification in this report.) Fifty-three chapter 30 cases with overpayments were identified and data from these cases were included as part of the information that led to the findings contained in this report.

The review sheet for the study of the self verifications was revised as a result of this first on site review. See Exhibit 1 for a copy of the chapter 30 review sheet. A copy of the nonchapter 30 review sheet is shown in Exhibit 2.

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In addition to the fifty-three cases retained from the review in March 1988, VR&E reviewed 1,451 VA Forms 22-8979. The forms reviewed were copies of all self verifications received at the St. Louis regional office every Tuesday from July 5, 1988 to April 25, 1989. Of the 1,451 self verifications reviewed there were 99 reported reductions or withdrawals that would result in payment changes, 56 other types of changes, and 1,296 no changes.

VR&E staff reviewed the claims folders of the 99 claimants who reported reductions or withdrawals in training. The St. Louis regional office staff had completed action on 87 of the 99 self verifications in time for the information to be included in this report. The reviews were conducted at the St. Louis regional office in January and June 1989. There were 140 chapter 30 cases involving reduction or withdrawals included in this study for the evaluation of self verifications, 87 cases from the two reviews in 1989 plus the 53 cases from March 1988.

Nonchapter 30 cases reviewed for this report were selected from chapters 32, 34, and 35 claims that were randomly selected for statistical quality control (SQC) reviews of various regional offices' education claims processing. Only cases that contained school reports of reduced training (or complete withdrawal) sometime between September 1987 to June 1989 were selected from the cases originally called into VR&E for SQC. In all, 214 cases from 22 regional offices were included in this study.

DISCUSSION

AND

FINDINGS

DISCUSSION AND FINDINGS

Applicable to Objective 1

Determine whether monthly self verifications result in debt avoidance.

Monthly self verification was implemented as an attempt to reduce debts that occur from overpayments being made to VA claimants. The amount of overpayments made in other VA administered education programs had reached well into the hundreds of millions of dollars. Much of the debt was believed to be the result of claimants continuing to receive payment even though they were not attending school for complete terms at the number of units the school had originally reported. Chapter 32, 34, and 35 claimants who reduce training during a term are not entitled to over 34% of the dollars they receive (see Exhibit 3). Presumably if claimants had to personally verify to VA what their enrollment was each month before they were paid for attending school for the month just completed and for any previous time period for which attendance had not been verified, they would have substantially less opportunity to be overpaid.

The comparison of overpayments from reported reductions and withdrawals under chapter 30 with what those overpayments would have been without a monthly self verification requirement reveals that the actual overpayments in chapter 30 cases would have been 48% higher. Similarly, a review of nonchapter 30 cases revealed that, if monthly self verification had been required for chapters 32, 34, and 35 claimants, 53% of the total amount of their overpayments would have been avoided.

Chapter 30 overpayments

However, the requirement for chapter 30 claimants attending institutions of higher learning to submit a monthly self verification does not eliminate all overpayments (see Exhibit 4). Claimants who receive nonpunitive grades by dropping some or all of their classes after the add/drop period or by failing to receive punitive grades at the end of a term must submit acceptable mitigating circumstances. If they do not report such circumstances, they are not entitled to any payment issued to them for the units that were assigned nonpunitive grades. In these situations, entitlement to benefits for these units is retroactively removed and debts are created. These debts accounted for 47% of the overpayments in chapter 30 cases in this study. Such overpayment debts are not prevented by a requirement that claimants submit monthly self verifications of attendance.

For the 140 chapter 30 claimants in this study who had reductions or withdrawals, the overpayments added up to over 24% of all the dollars paid to them. As of August 18, 1989, chapter 30 claimants had accounts receivable (overpayments) of $965,080.45. But without the monthly self verification requirement, we project that claimants who reduced training would have received additional payments to the extent that they would not have been entitled to 38% of all dollars received (see Exhibit 5). Overpayments would now be about 1.4 million dollars.

NOTE: A law change effective June 1, 1989 permits a one time forgiveness of up to 6 units of nonpunitive grades for which no acceptable mitigating circumstances are of record. This change in law did not apply to any case reviewed for this report. The law change is initially expected to reduce the potential overpayments in chapter 30 by about 25%. But this percentage is likely to decrease as claimants, who have been granted the one time exemption from having acceptable mitigating circumstances, enroll in future terms and receive additional nonpunitive grades. We project that even with this law change that over half of the overpayments in chapter 30 will probably originate from cases in which claimants do not provide acceptable mitigating circumstances. We expect that as school and VA accuracy in processing claims improves with greater familiarity with the chapter 30 program that the percentage of errors by schools and VA will decrease. Any percentage decrease in overpayment sources will increase the percentage attributable to the remaining sources. Had the one time exemption been in effect during FY88 and FY89 prior to June 1, 1989, the overpayments in chapter 30 would be about $241,991 less than they were by August 1989. The $241,991 would have been paid to claimants with or without monthly self verification and with or without the one time exemption and thus, not affect the conclusions of this study.

Almost 20% of the overpayments in the chapter 30 sample involved advance payments which claimants accepted for classes they planned to take. By not actually taking some or all of the classes or equivalent units, they were overpaid.

Similarly, veterans are currently entitled to payment for the interval between terms if the school has certified that the student plans to attend continuously. If the student submits a self verification to the effect that there is no change in

attendance for the month in which the interval begins, the student will be paid for the entire month; if the students does not in fact begin the following term, then the student is not entitled to the interval payment already received and VA must create an overpayment. Interval overpayments accounted for over 6% of the sample chapter 30 overpayments.

The remaining overpayments were about evenly divided among VA errors, school certification problems, and claimant errors. These factors were somewhat more prevalent during the beginning of the chapter 30 program. As VA personnel and school certifying officials became more familiar with the chapter 30 program, they made fewer mistakes. Overpayments attributable to faulty school certifications and VA processing errors should continue to decline. The law change effective August 15, 1989, that permits chapter 30 claimants to be paid for refresher, remedial, and deficiency courses eliminates the potential for many erroneous school certifications and will very likely reduce the percentage of overpayments that can be traced to school reporting problems.

Nonchapter 30 overpayments

Almost half the overpayments (47.64%) that were created in the chapter 32, 34, and 35 cases reviewed (see Exhibit 6) were the result of the claimant accepting payment for periods of time in which the claimant was not attending some or all of the units for which payment was made. This situation does not occur with monthly self verification unless the claimant submits a false verification, or VA releases payment in error, or the school has certified an enrollment that is misleading to both the claimant and VA, such as the certification of a class the claimant may be taking but for which no payment should be made.

As of July 31, 1989, chapter 34 claimants had accounts receivable of $127,204,627.83; chapter 35, $16,698,948.95; and chapter 32, $10,563,588.23. Had monthly self verification been required of chapters 32, 34, and 35, the accounts receivable in those programs would probably be $77,233,582.50 less since that money would never have been issued to claimants.

As in chapter 30, claimants are charged overpayments for periods of time they were attending classes if they receive nonpunitive grades and do not submit acceptable mitigating circumstances for dropping the classes or failing to receive a punitive grade. This situation accounted for over 39% of the overpayments received by claimants in the sample of cases under chapters 32, 34, and 35.

Advance payments were involved in over 5% of nonchapter 30 overpayments. Payments for intervals accounted for 8% of the overpayments. No overpayments from VA, school, or claimant errors were specifically identified in the cases reviewed. This fact supports the belief that fewer of these errors occur as the people involved become more familiar with the education programs. Also since claimants do not get paid in nonchapter 30 programs unless the school certifies their enrollment, claimant errors do not generally show up directly.

Does monthly self verification result in debt avoidance? As indicated above we believe that the requirement that claimants verify their training each month has already prevented debt of over $400,000. We further project that prevented debt will total over $11,000,000 by the end of 1994. And had the procedure been in effect for other education programs, we project that current debts of over $150,000,000 would have been cut in half. Exhibit 7 provides information on the sample data on which this conclusion is based.

DISCUSSION AND FINDINGS

Applicable to Objective 2

Determine whether VA can process self verifications timely and continue to provide claimants with routine dependable payments.

Once an award is made under nonchapter 30 education programs, payment is issued monthly on or near the first of the month for the month just completed. Under chapter 30 once an award is made, a self verification form is issued monthly on or near the first of the month for the month just completed and for any previous time period for which attendance has not been verified. Payment is not issued until the self verification form is received and processed by VA.

In March 1989 the VA randomly selected 98 records which should have generated monthly self verification forms during the end of month February. Telephonic contact with each claimant was attempted to determine whether the forms were received and when. A total of 88% of the forms were received (67% on the third or fourth day of March) AND returned within 14 days. 6% of the claimants could not be reached (but self verifications were received), 2% had address problems, and 3% ignored the forms and submitted letters instead. VA processed all but two self verifications during March in the 98 case sample.

The 1,451 self verification forms reviewed for this report indicated that the claimant who reported that there were no changes during the period to be verified signed the self verification form an average of 5.8 days after it was mailed. VA received the self verification form 6.6 days after the claimant signed it. The total time from date mailed to the claimant to date received by VA was just over 12 calendar days.

(NOTE: Forms were frequently mailed to claimants three or four days before the end of the month during the early stages of this study. Recently, the penultimate work day of the month was selected as the date the regular monthly forms are to be mailed. Therefore, the 12 day turn around for mailing, signing, and mailing back to VA may be reduced somewhat.)

These "no change" self verifications were processed by VA within two work days and payments were released within the next few days depending on when the next payment cycle occurred. Almost 90% of self verifications reported no change in training dates or units (see Exhibit 8).

By contrast, the claimant who reported a reduction or withdrawal during the period to be verified signed the self verification form an average of 9.8 days after receiving it. VA received the change form 8.9 days after the signature date. The total time from mailing of the form until VA received it was 18.7 days, almost a full week longer than the turn around time for a "no change" self verification.

The typical reduction or withdrawal self verification often must be given special handling to develop for possible mitigating circumstances for the change and/or to confirm with the school that the reported change accurately matches school records. From the time VA received a change self verification until an award adjustment was made was about 17 calendar days. However, the actual time ranged from 1 to 80 days, due to development and due process requirements, with over 73% of these cases processed in less than 17 days. Schools reported changes at the same time as or before claimants in about 65% of all reductions and withdrawals. In only 5% of all reported decreases in training time (0.75% of all self verifications) was VA unable to take final award action within 17 days from the time VA received the self verification report of the reduction or withdrawal from training.

The 10.68% of self verifications reporting changes were about 7% reductions or withdrawals leading to payment decreases. The other 4% reported increased units that would increase payments, increased or decreased units that did not affect payment, or information that should have been reported as no change.

Can VA process self verification forms timely and continue to provide claimants with routine dependable payments? VA has processed the vast majority of self verification forms within one or two days. For most claimants, particularly those who do not have changes to report, payments are routinely issued a few days after the forms are received by VA. The biggest difference between chapter 30 payments and those for other programs is that chapter 30 payments are received by claimants mid month rather than the first of the month.

But to continue processing self verifications within a day or two of receipt as the number of incoming monthly forms increases tenfold in the chapter 30 program over the next 5 years, VA must have the resources to handle such volume. If VA also implements a monthly self verification process for other education programs, the number of forms to be processed monthly by 1994 could be as high as 424,411, which is the number of projected trainees for FY94. That number of trainees is almost 20 times the number of chapter 30 claimants in FY89.

It is not likely that all claimants during a fiscal year would actually be in training during any month of that year so the possibility of 424,411 self verifications arriving in VA in one month of FY94 would be improbable. But even if only half the claimants during a year are in school during any particular month, clearly VA must have a realistic means of processing their self verification forms. If VA personnel must perform data entry into the Target system from each form as was done at the time of this study, then VA would need an increased work force and additional data entry terminals or some automated system that would greatly speed up the data entry process.

Subsequent to this study VA began to use bar coding to process the monthly self verification forms. American Management Systems, Inc., (AMS) under Contract V101(93)P-1095 determined that over a five year period the cost to continue Target processing of the monthly self verification forms with data entry personnel will be $1,128,000. AMS estimates are based on a chapter 30 student population that is expected to grow from 23,830 claimants in 1989 to 222,400 claimants in 1994. Of the total chapter 30 claimants, 95% are expected to attend institutions of higher learning (IHLs). Only IHL students in nonchapter 30 programs have been exempt from monthly or quarterly self verification; so, monthly self verification of IHL students under chapter 30 is a new workload for VA to handle.

AMS analyzed various possible ways of automating the processing of the self verification forms, at least those which are "no change" reports. AMS recommended a combination of bar coding the self verification forms and a new custom software package called "Player Piano" to enter the information into VA's Target system. AMS reported that over a five year period the cost of the automated processing of self verification forms would be $383,000. However, the cost could be greater if clerical personnel handling the forms are less efficient than estimated by AMS; bar code processing is labor intensive, in that personnel must handle each form separately, but it requires fewer people than a manual data entry process.

More expensive at $614,500 is another option which AMS recommended if centralized processing of self verifications is implemented and if other uses of the equipment can be found besides processing chapter 30 forms. This option is an Optical Character Recognition (OCR) device which can scan self verification forms, process the "no change" reports, and sort out unsigned or "change" reports. With an OCR device, monthly verifications could be processed by machine rather than people.

except for the "change" reports. One OCR device has the capacity to handle more than twice the total number of monthly self verifications that VA estimates will be received monthly under chapter 30 in FY94. The VA estimate of the number of claimants in FY94 including chapters 32, 35, 106, and sections 901 and 903 is well within the capacity of one OCR device. Therefore, if VA uses the OCR device to process monthly self verifications, the requirement for self verifications could be extended to all other VA education programs without need for additional personnel.

Costs under the current process and the various automated processes apply to "no change" forms; under all these processes self verifications reporting changes would need to be referred to adjudication for standard claims processing. Reports of changes have always been required, but VA has, for the most part, depended on schools for such reports. The cost of processing change reports is not a new cost under monthly self verifications; it is a shift from depending solely on schools to make reports to assigning direct responsibility to claimants to report to VA changes in their enrollments, with the school also required to submit a report.

DISCUSSION AND FINDINGS

Applicable to Objective 3

Determine whether a self verification requirement is cost effective.

As of August 18, 1989 chapter 30 overpayments had grown to $965,080.45. Some of that debt will be recovered from claimants who return to school by withholding overpayment amounts from amounts due for future attendance. Some claimants will repay their debts. VA debt collection efforts and contracted debt collection services will probably recover some of the debt. These recovery techniques would apply equally to any additional debt that might have occurred had monthly self verification not been required.

In fiscal year 1987 VA wrote off as uncollectible debt $71,256,869 in overpayments for chapters 34 and 35. In fiscal year 1988 the write-off was $33,946,000. As of July 31, 1989, the write-off was already $2,711,042.75 for these two programs; and another $42,845,669.67 in accounts receivable for these two programs had been declared uncollectible and reported to GAO. For the same respective time periods debts were waived in the amounts of $620,991.00, $391,751.00, and $399,439.18.

Clearly, not all debt in nonchapter 30 education programs could be recovered from claimants. In addition to the millions of dollars that will never be recovered, there are still accounts receivable for each of the major nonchapter 30 education programs administered by the VA:

	PROGRAM	ACCOUNTS RECEIVABLE
AS OF JULY 31, 1989	CH32	$ 10,563,588.23
	CH34	127,204,627.83
	CH35	16,698,948.95
AS OF AUGUST 16, 1989	C106	11,080,817.00

The total accounts receivable in each program indicates that a significant amount of the overpayment should be preventable. In addition to the debt, it costs about 99 cents per account per month for collection activities. For FY89 there were about 228,000 accounts per month which means that VA spent about a quarter million dollars just in collection efforts every month. For chapter 30 there were approximately 1125 accounts in collection status compared to 1331 (18% higher) which would have existed without monthly certs. The current collection cost savings for the 206 account difference ($204 monthly) is not significant; however, future savings will accrue. For example, 100,000 overpayment accounts without monthly certs will be 82,000 accounts with monthly certs, saving $17,820 each month in collection expense.

Although monthly self verifications in chapter 30 do not prevent all debt, payment releases after processing of the self verifications reduced the amount of the overpayments created and prevented 41% of those claimants having training time reductions from having any overpayment created. If we project that 41% of the 228,000 debt accounts from various education programs had never been established, VA would have avoided over $92,000 monthly in collection activities in FY89.

The evaluation of the monthly self verification requirement for chapter 30 and the impact such a requirement might have had on chapters 32, 34, and 35 revealed that without the self verification requirement chapter 30 debts would have been about 50% greater and that with a self verification requirement approximately half the debts in 32, 34, and 35 would have been precluded. Even if only one third of the chapter 32, 34, and 35 overpayments had been prevented, current accounts receivable would be reduced by more than $50,000,000.00. Current chapter 30 debts would have been over $400,000.00 larger if self verification had not been in place. The number of chapter 30 claimants is projected to be almost 10 times as large during FY94. A ten fold increase in prevented debts would be over $4,000,000.00 annually by 1995.

The study of 140 cases found that without monthly self verifications the amount these claimants would have been paid would have been $154,191.14. They were actually paid $125,683.18. The difference is $28,507.96, all of which would have been preventable overpayment. This figure divided by 140 is $203.62, the average amount of debt prevented for each claimant who had reductions or withdrawal. The chapter 30 sample found that 6.8% of the monthly self verifications reported reductions or withdrawal that involved reducing payment rates. VA estimates that there will be 790,100 chapter 30 claimants during FY90 through FY94. At 6.8% of 790,100, there are 53,727 claimants who can be expected to reduce their training rates during the next five years. At $203.62 for each of the 53,726.8 claimants, the potential debt reduction for chapter 30 during the next five years is $10,939,851.00.

And if 41% of these 53,727 claimants have no account receivable, 22,028 of them will not require debt collection activity; VA will avoid costs of approximately $20,000 for every month these claimants would have been subject to debt collection effort.

Prevented debts in the chapter 30 program will increase each year as the number of chapter 30 claimants increases:

FISCAL YEAR	TRAINEES	PREVENTED DEBT
1990	89,600	$ 1,240,616
1991	124,800	1,728,001
1992	159,900	2,214,001
1993	193,400	2,677,847
1994	222,400	3,079,386
TOTAL:	790,100	$10,939,851

The AMS report estimated that without any automation change it would cost $1,128,168.00, but could go as high as $1,503,912.00, to process all the self verification forms that would be submitted by chapter 30 claimants during the next 5 years. This cost is between 14 to 19 cents per form.

The processing cost for the same five years using bar coding and player piano would cost $383,000 or about 4.85 cents per monthly self verification form. The cost with OCR processing is $614,500 or about 7.78 cents per form.

There are some other costs associated with monthly self verification forms: the paper and printing costs, mailing costs, increased telephone calls from claimants who don't receive forms timely, personnel time involved in resolving inquiries and complaints, time spent in hiring and training personnel to process the forms. Each form costs about 21 cents to mail. Exact figures are not available for the other associated costs, but for this report are estimated to total 7 cents per monthly self verification form.

Therefore, each monthly self verification form is estimated to cost 28 cents plus any processing cost after it is signed and returned to VA by a claimant.

The processing costs of 14 cents plus other costs of 28 cents equals 42 cents per form. If we apply that cost to self verification cases reviewed in this study (including the cases that reported "no change") and assume that each claimant was mailed six forms in the course of a school year, then it cost VA $3,656.52 to require 1,451 claimants to submit monthly self verifications. Of these claimants, 99 had reported reductions and their prorated portion of the prevented debt of $28,507 for 140 claimants would be $20,157.30. Dividing the cost, $3,656.52, by the amount of debt prevented, $20,157.30, indicates that it cost VA about 18.14, or about 18 cents, for every dollar of debt prevented prior to the introduction of bar coding.

This cost is confirmed by an analysis of the probable costs in terms of actual expenses. If we project $.42 per form with 6 forms to each claimant during the next 5 years, it will cost 18 cents for every dollar of debt prevented ($1,991,052 divided by $10,939,851 equals .1819):

TOTAL COSTS - MANUAL PROCESSING
LOW ESTIMATE

FISCAL YEAR	TRAINEES	VERIFICATION COST AT 42¢ PER FORM
1990	89,600	$ 225,792
1991	124,800	314,496
1992	159,900	402,948
1993	193,400	487,368
1994	222,400	560,448
TOTAL:	790,100	$1,991,052

At the higher processing cost of 19 cents per form plus 28 cents other costs for a total of 47 cents, it will cost VA 20.37 or about 20 cents for every dollar of debt prevented in chapter 30.

TOTAL COSTS - MANUAL PROCESSING
HIGH ESTIMATE

FISCAL YEAR	TRAINEES	VERIFICATION COST AT 47¢ PER FORM
1990	89,600	$ 252,672
1991	124,800	351,936
1992	159,900	450,918
1993	193,400	545,388
1994	222,400	627,168
TOTAL:	790,100	$2,228,082

Monthly self verification by all chapter 30 IHL claimants during the next five years, therefore, will cost between $1,991,052 and $2,228,082.00, or about $1 for every $5 of debt prevented. This cost is without use of bar coding or OCR device.

AMS estimated a processing cost of 4.85 cents per monthly self verification form for the bar coding technology. Adding this amount to the estimate of 28 cents for mailing and other costs, each form will cost 32.85 cents. It will cost 14 cents for every dollar of debt prevented using bar coding technology.

TOTAL COSTS - BAR CODE PROCESSING

FISCAL YEAR	TRAINEES	VERIFICATION COST AT 32.85¢ PER FORM
1990	89,600	$ 176,601.60
1991	124,800	245,980.80
1992	159,900	315,162.90
1993	193,400	381,191.40
1994	222,400	438,350.40
TOTAL:	790,100	$1,557,287.10

A similar analysis for the cost of using an OCR device at a processing cost of 7.78 cents per form reveals that over the five year period it would cost $135,107.10 more to use the OCR device than to use bar coding.

If the monthly self verification requirement is extended to all education programs administered by VA the number of forms to be processed each month could double during the five year period. AMS projected costs of $383,000 for bar coding and $614,500 for the OCR device would nave to be increased. Each estimate included both labor and equipment projections. If we assume that labor cost would double for twice the number of forms to be processed and that bar coding units would double, but that all other equipment costs would be unchanged, then bar code reading of the forms is more cost effective than the OCR device at least through 1994.

PROCESSING COSTS
BAR CODE VS. OCR PROCESSING

BAR CODING	CHAPTER 30	ALL PROGRAMS
5 year labor cost	$205,296	$410,592
equipment	14,000	28,000
player piano	163,000	163,000
TOTAL	$382,296	$601,592

OCR DEVICE	CHAPTER 30	ALL PROGRAMS
5 year labor cost	$ 34,320	$ 68,640
equipment	580,180	580,180
TOTAL	$614,500	$ 648,820

RECOMMENDATIONS

RECOMMENDATIONS

1. Continue the requirement for monthly self verification by all chapter 30 IHL claimants.

   As indicated in this report, we believe that requiring claimants to verify their training each month has already prevented debt of over $400,000.

2. Extend the requirement for monthly self verification to chapters 32, 35, and 106.

   Had the monthly self verification requirement been in effect for other education programs, we project that current debts of over 150 million dollars would have been cut in half.

3. Assure that ADP resources are available to process monthly self verifications expeditiously.

   In order to process tens or hundreds of thousands of self verification forms each month, VA must have sufficient trained personnel and/or appropriate equipment available to accomplish this task. Requiring monthly self verifications without acquiring the resources to process them will lead to delays in payments to claimants. Technology exists which can satisfactorily solve this resource problem. An automated solution has the advantage of speed and cost effectiveness.

EXHIBITS

CHAPTER 30 WORKSHEET

C#_____

NAME_____

	DATE	PERIOD COVERED	TRNG TIME	RATE
AWARD AUTHORIZED				
8979 issued				
signed by vet				
received by VA				
ELAPSED TIME:				
issued to signed				
issued to received				
DATE PROCESSED				
Returned (reason)				
Finance				
Adjudication				
Date 1999b received				
Date signed by school				
Date of Change per 1999b				
Eff. date of adjustment				
TOTAL DEBT CREATED				
Amount due to no mit circ				
Advance pay adjustment				
Interval				
VA error				
Amount of debt prevented				
TOTAL PAID				
TOTAL DUE				

EXHIBIT 1

CHAPTER 32/34/35 WORKSHEET

C#_____

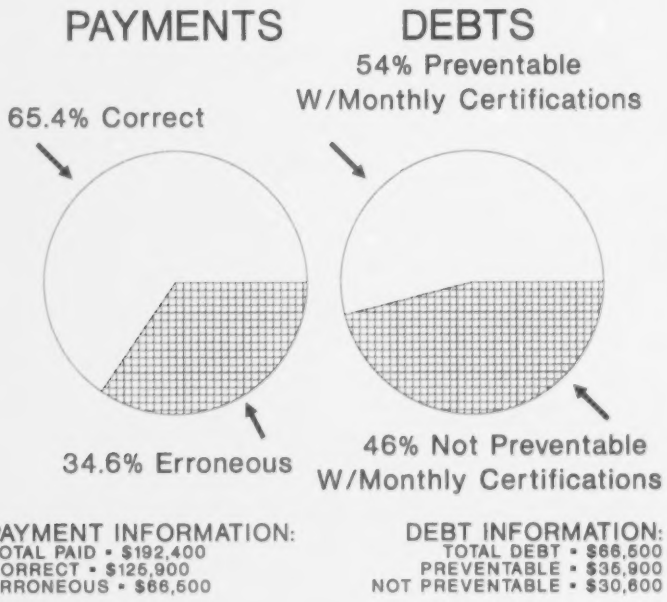
NAME_____ REGIONAL OFFICE_____

	DATE	PERIOD COVERED	TRNG TIME	RATE
DATE AWARD AUTHORIZED				
DATE OF				
1. change event per1999b				
2. 1999b received by VA				
Days from #1 to #2				
3. 1999b award authorized				
Days from #2 to #3				
Total time to process:				
EFF. DATE OF ADJUSTMENT				

	DEBT AMOUNT
TOTAL DEBT CREATED	
Advance pay adjustment	
Interval	
VA error	
Any debt due to no mit circ	
AMOUNT OF DEBT VA COULD HAVE PREVENTED BY:	
1. Working within 2 days	
2. Check intercept	
3. Monthly certification from claimant	
TOTAL PAID	
TOTAL DUE	

EXHIBIT 2

CHAPTERS 32, 34 & 35



PAYMENT INFORMATION:
TOTAL PAID • $192,400
CORRECT • $125,900
ERRONEOUS • $66,500

DEBT INFORMATION:
TOTAL DEBT • $66,500
PREVENTABLE • $35,900
NOT PREVENTABLE • $30,600

EXHIBIT 3

CHAPTER 30 OVERPAYMENTS
(Causes in percent)

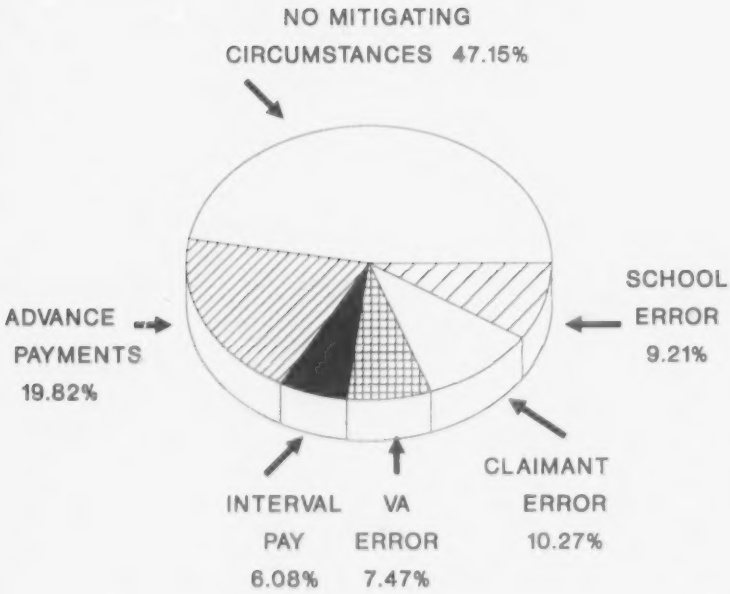


EXHIBIT 4

CHAPTER 30 PAYMENTS

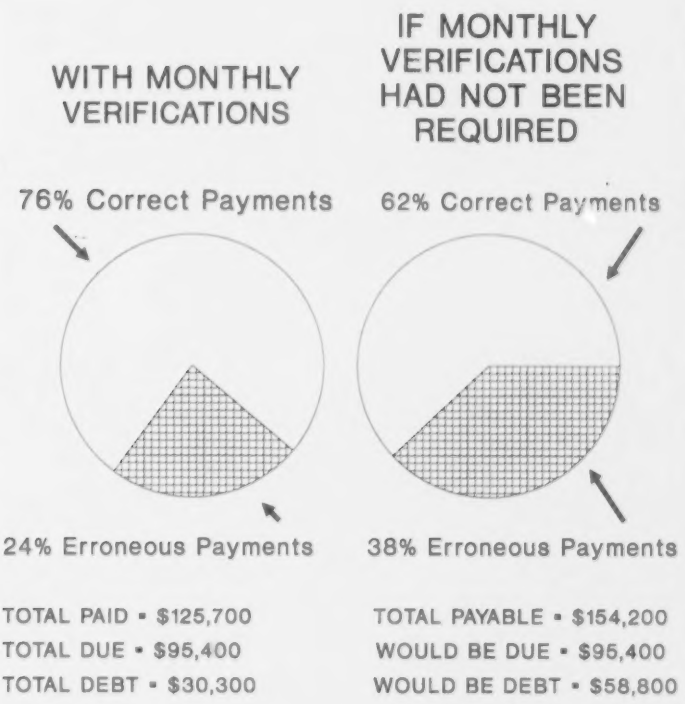

WITH MONTHLY VERIFICATIONS
IF MONTHLY VERIFICATIONS HAD NOT BEEN REQUIRED
76% Correct Payments
62% Correct Payments
24% Erroneous Payments
38% Erroneous Payments
TOTAL PAID • $125,700
TOTAL DUE • $95,400
TOTAL DEBT • $30,300
TOTAL PAYABLE • $154,200
WOULD BE DUE • $95,400
WOULD BE DEBT • $58,800

EXHIBIT 5

CHAPTER 32, 34, & 35 OVERPAYMENTS
(Causes in percent)

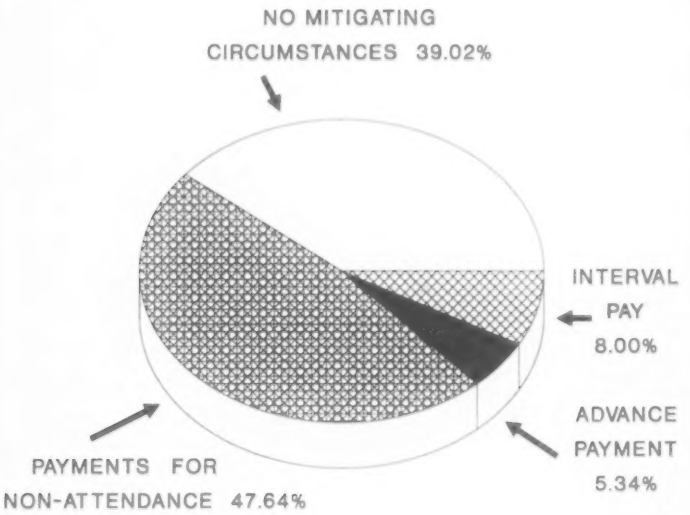


EXHIBIT 6

DATA ON THE RECORDS REVIEWED

All Chapter 30 records reviewed were selected from cases processed by the St. Louis regional office.

All other records were selected randomly from cases called into VA Central Office for routine SQC (statistical quality control).

The sample size for each group of records reviewed represents a 90% confidence level.

The variance has been established at +/- 6%.

	CH30 (140 RECORDS)		CH32,34,35 (214 RECORDS)	
	WITH CERT	WITHOUT CERT /1	WITH CERT /2	WITHOUT CERT
PAYMENTS WITHOUT CERT		$154,191		$192,402
PAYMENTS WITH CERT	$125,683		$161,761	
AMOUNT DUE	$95,365	$95,365	$125,881	$125,881
DEBTS WITHOUT CERT		$58,827		$66,521
DEBTS WITH CERT	$30,319		$35,880	
(Figures rounded to the nearest whole dollar)				
AVG DEBT	$216.56	$420.19	$167.66	$310.85

NOTES:

/1: This is what would have resulted had monthly self verifications NOT been required.

/2: This is what would have resulted had monthly self verifications been required.

EXHIBIT 7

ACTION TAKEN ON CH30 CERTIFICATIONS

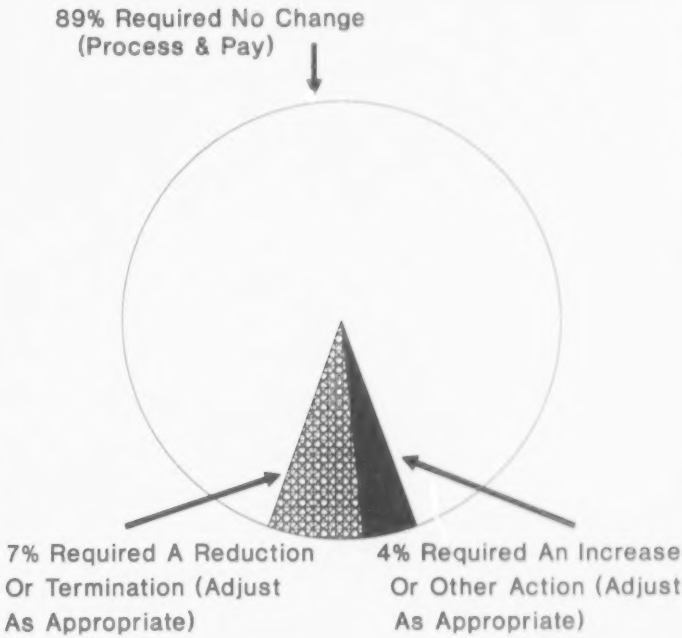


EXHIBIT 8

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON D.C. 20301-4000

FORCE MANAGEMENT
AND PERSONNEL

August 27, 1990

The Honorable G. V. Montgomery
Chairman
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Attached are responses to the additional questions submitted by Congressman Penny following the July 12 oversight hearing on the Montgomery GI Bill. Thank you for the opportunity to appear before your Committee, and please let me know if you have further questions or additional information is needed.

Sincerely,

Kim F. McKernan
Principal Deputy

ANSWERS TO QUESTIONS FROM THE HEARING OF JULY 12, 1990
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

1. Congressman Penny: As you know, active duty MGIB participants who are discharged "for the convenience of the government" and who have completed the required number of months on active duty are eligible for 36 months of education assistance.

It has, however, been brought to the attention of the subcommittee that there is no standard definition among the branches of service for "convenience of the government." For example, I understand that individuals discharged because their weight exceeds service standards may receive honorable discharges "for the convenience of the government" from one Service but may receive a different character of discharge from another Service, and thus, not qualify for MGIB benefits.

This seems to me to create a significant inequity. Is the Office of the Secretary of Defense taking any action to establish a uniform definition of "convenience of the government?"

Ms. McKernan: The Department is currently taking action to change DoD policy guidance pertaining to defining separations. This guidance will include a specific definition of reason for separation because weight exceeds Service standards. This will address the inequity you have referred to.

2. Congressman Penny: In an effort to streamline and speed up the issuing of initial MGIB checks for Chapter 30 participants, I have three suggestions that might be helpful. I'd appreciate it if you would give me your views on them.

First, if a MGIB participant were issued a form at the time of discharge which describes his or her eligibility status, the individual could immediately present this form to the DVA and the processing of benefits could begin.

Alternatively, could the DD 214 be amended to include information regarding eligibility for education benefits?

I think it would be helpful if enlistment contracts included very specific information regarding the benefit amount to which the Service member is entitled and, additionally, described in detail the conditions under which the individual could lose a kicker. Several of the young people we met with had no idea what benefit amount they should be receiving. There also seemed to be confusion regarding kickers.

Ms. McKernan: A MGIB participant is issued a form at the time of discharge which allows him or her to immediately file a claim for MGIB benefits with the Department of Veterans' Affairs. This form is the DD 214. The DD Form 214 is the "Certificate of Release or Discharge from Active Duty." It provides a brief concise source of information on a member's active service with the Armed Forces; to include a record of time in service, military education and training, awards and decorations, and character of service. It is used by the Department of Veterans' Affairs (DVA) to assist in determining eligibility for benefits. For those applying for MGIB benefits, it provides key pieces of information to verify eligibility; such as name, social security number, dates of service, whether or not the member is a high school graduate, and character of service. The Service member can present the original copy 4 of the DD 214 to the

DVA upon separation and his or her claim will be promptly processed after the individual's record is verified with the MGIB database.

We have been working with the DVA and the Services to determine whether or not new forms or amended forms are needed to expedite the delivery of MGIB benefits. We have determined that the DD Form 214 in its present form provides all the information necessary for the DVA to process a claim for MGIB benefits immediately upon separation.

It is important for new recruits to know the exact terms of their enlistment contract. Consequently, we are modifying the enlistment contracts to include information about enrollment in the Montgomery GI Bill and any education supplement, such as the Army College Fund or the Navy College Fund. We will also specify the amounts of the supplement as well as conditions that would preclude receiving the benefit.

3. Congressman Penny: Shortly after the MGIB was implemented in 1985, Chairman Montgomery asked that then-Secretary of Defense Weinberger provide him with monthly statistics regarding Chapter 30 participation. Until about 8 months ago, this information was routinely provided.

The data provided the Committee include the number and percentage of MGIB participation by month and by service, as well as a cumulative total for the same information. It was very helpful to us to have this information, and I would like to formally request that this data again be provided to the Committee on a monthly basis.

Ms. McKernan: We will be happy to provide a statistical report regarding Chapter 30 participants on a monthly basis as you requested. The report will include the number and per entage of MGIB participants by month and by Service as well as a cumulative total for the same information.

4. Congressman Penny: In your testimony you mention that education benefits are included in the formal out-brief. I want you to know that many of the young people we met with at our forums indicated they had not received the individual counseling required by law.

It is important that separating servicemembers receive this information, and it would be helpful if OSD would emphasize this to the services.

Ms. McKernan: We agree that it is very important for a separating Service member to receive information pertaining to his or her educational assistance benefits. Accordingly, the out-briefings given at discharge include a discussion of the education benefits to which the member is entitled as well as an explanation of the procedures for affiliating with the Selected Reserve. Currently, the Services are providing counseling to separating Service members, and a notation of such counseling, signed by the member, is placed in the service record of the separating member. Working closely with the Services to reemphasize the importance of educational benefits during the out-briefings is an important part of our transition assistance program.

(MR. ALBERT V. CONTE)

RESPONSES TO QUESTIONS FROM THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT,
HEARING OF JULY 12, 1990

Q 1, Congressman Penny: In your testimony you state that DoD policy requires that members be given their Notice of Basic Eligibility (NOBE) immediately upon completion of Initial Entry Training. You also mention the expedited correction procedure that was implemented.

During our discussions with the young people in the field, we were told the NOBEs weren't always issued at time of eligibility. We also learned that some of the military education specialists, DVA officials, and school officials were unaware of the expedited correction procedures.

How do you get the word out to the Selected Reserve components regarding DoD policy? Should additional efforts be made to stress the importance of these policies to the components?

Mr. Conte: The DoD policy that the NOBE be issued at time of eligibility is set out in DoD Instruction 1322.17. This policy is also detailed in the regulations of the military departments. Assistant Secretary Duncan has stressed to the Services the need for promptness and accuracy in the administration of the MGIB for the Selected Reserve, and the Reserve components are reemphasizing compliance with this and other administrative procedures associated with the Montgomery GI Bill.

The expedited correction procedure was developed in coordination with the Department of Veterans Affairs. The administrative procedures necessary to implement the expedited correction process were worked out between the DVA and DoD. It was the responsibility of each Department to ensure necessary personnel were properly informed of this process. The Department of Veterans Affairs has information on this procedure in its circulars. We are now reviewing additional steps which may increase awareness of the expedited correction procedure.

Q 2, Congressman Penny: You mention that benefits are paid for a period of 120 days even if an individual is not shown as eligible in the DMDC data sent to the DVA.

When does this 120-day period begin?

What is the average length of time from the date of issue of a NOBE to entry of the data in the databank at DMDC? How long does it, on average, take to update DMDC from the date of eligibility? Would you generally describe this process? How many layers must the information go through before it finally reaches DMDC?

Could additional computerization improve and streamline this process? If so, I'd like to know what kind of funding this would require.

Mr. Conte: The 120 day period begins on the day the NOBE is issued.

During a recent analysis of the data in the First US Army area the average length of time from date of issue of a NOBE to entry of eligibility data in the DMDC data base was found to be 73 days. This average is considered to be reasonable and well within the 120 day window that is allowed by the Department of Veterans Affairs while paying on the NOBE. The administrative time varies by component, but all the Reserve components are striving to shorten this time period.

A member who completes initial entry training and becomes eligible for the MGIB generally receives a NOBE when he or she attends their first unit drill following their return from the initial training site. The member takes the NOBE to the school for certification and then to DVA for processing of payment. DVA should pay from this document for 120 days from date of issue.

The process for transmittal of information to the DMDC data base indicating that a NOBE has been issued and the member is therefore eligible for MGIB benefits varies by component. The number of levels through which the data passes is greatest in the Army Reserve. The information flow in the Army Reserve is from the unit, through a Major Army Reserve Command (MUSARC), through the Continental Army (CONUSA), to the Army Reserve Personnel Center (ARPERCEN). It is consolidated at ARPERCEN and forwarded monthly to DMDC. In the Air Force Reserve, on the other hand, the data flows from the base level to the personnel center and then to DMDC, a more direct route. DMDC consolidates all input tapes for the Reserve components and forwards the data to the DVA each week as Reserve component inputs are received.

Additional computerization will help to speed the information flow and reduce the number of levels through which data must be processed in the Army Reserve. This computerization is being brought on line through the Reserve Component Automation System (RCAS), now under development. Processing under RCAS is to begin in FY 1993 and be fully operational by FY 1996. This system will greatly assist in the processing and transfer of data in the Reserve components of the Army. With RCAS in place for the Army, all Reserve components will have the essential computer hardware in place to support the MGIB and other personnel data requirements.

Q 3, Congressman Penny: Several of the Chapter 106 complaints we have gotten concern individuals who switch from one Reserve component to another.

Why does this situation cause so many problems? What procedures are involved to transfer information regarding a Reservist from one component to another?

I understand a Reserve Component Automation Plan is being developed. Will this plan enable the components to more readily share information? When is the plan expected to be implemented?

Mr. Conte: Eligibility for educational assistance is terminated when a member separates from the Selected Reserve. When a member who is eligible for the MGIB separates or transfers from the Selected Reserve he or she will be identified by a code which indicates whether the individual is transferring as a satisfactory participant or an unsatisfactory participant. Members who are released from the Selected Reserve for valid reasons following a period of satisfactory service may regain eligibility for educational assistance. Eligibility is restored if a member who transferred for valid reasons: (1) reaffiliates in the Selected Reserve within one year, (2) is otherwise eligible for educational assistance, and (3) has not received the maximum entitlement available. In cases involving a religious mission, the member has up to 3 years to reaffiliate.

When reaffiliation occurs, the member's entitlement to benefits will be adjusted by the amount previously awarded in accordance with DVA regulations. Only one such voluntary release is permitted during the 10 year MGIB benefit period for the purpose of recovering eligibility to educational assistance benefits.

Difficulties arise when the gaining Reserve component does not report the member's gain in a timely fashion or the losing component is unaware or does not properly report that the individual is being lost to another component.

The Reserve Component Automation System (RCAS) is being developed by the Army. It will provide automated capabilities to the Army Reserve and the Army National Guard for mobilization, command and control and unit administration functions. The RCAS system will permit exchange of personnel and other information between and among the Army Reserve, Guard and active component systems. RCAS is scheduled for initial operation in FY 1993, with all aspects of the system to be operational in FY 1996. This automation will provide the ability to report gains to DMDC much more rapidly than at present. In the interim, the Department will continue to emphasize the need for timely and accurate reporting of gain and loss transactions.

Q 4, Congressman Penny: First, I want to congratulate you on the impressive reduction in the number of individuals in the "unknown" eligibility category. You have made significant improvement. Nonetheless, any individuals in this category is too many.

Looking at the charts on page 8 of your statement, I noticed that most of the "unknown" cases show up in the Reserve components rather than the Air or Army Guard. Is there any explanation for this?

Mr. Conte: There are a significant number of individuals who have been coded unknown because necessary verification documents have not been received. The Army Reserve, in particular, has a significant number of individuals in this status. This accounts for over 11,700 of the total of 23,565 unknowns in the Army Reserve at the end of May 1990. Problems with missing documentation in the National Guard have been much less significant. In large part this may be attributed to the fact that the National Guard has had State Education Officers in each state to provide emphasis on documentation and data quality. The Army Reserve established Education Services Specialists at each Continental United States Army last year to perform these functions. This capability in the Army Reserve should further reduce the unknown population in that component.

Q 5, Congressman Penny: You mention in your testimony that six-year or greater terms of service have increased from 39 percent to 67 per cent since implementation of the Montgomery GI Bill.

This is an impressive figure. Is there a way to quantify the cost savings which have resulted from the longer terms of service? I assume there has been a particularly positive effect on recruiting and training costs.

Mr. Conte: The Sixth Quadrennial Review of Military Compensation estimated that, in the case of non-prior service accessions who are eligible for but not participating in the MGIB, 321 of 1000 will complete six years of service. This compares to 578 of 1000 for those who are participating in the MGIB. The difference is smaller, but still significant, for members with four to six years of Reserve service.

While I have no doubt that the MGIB has an important and positive effect on retention, the differences cited above cannot all be unambiguously attributed to the MGIB. Bonus payments, for example, may also be at work here.

Therefore, I cannot precisely quantify the costs savings which would result from reduced training requirements, but I would note that it costs the Army National Guard over $5,000 for each non-prior service accession without even considering training base infrastructure or recruiting costs. Obviously, for each additional year of service received from the initial training investment, the effect on recruiting and training costs is positive.

Q 6, Congressman Montgomery: You note that as of May, 1990, 43 percent of all members eligible for Chapter 106 had actually applied for benefits. You also mention that most participants are younger members.

Would it be possible to provide the Subcommittee with the participation rate based on the number of eligibles who are under age 30? I think this would give us a more accurate idea of how the program is doing.

Mr. Conte: As I noted in my testimony of all enlisted members eligible as of May 31, 1990, the number who have applied for MGIB benefits is 42.5 percent.

Over 88 percent of the enlisted members who have applied for benefits were under age 30. Fifty four percent of those who have applied are under age 22.

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FOLLOW-UP QUESTIONS FOR THE NATIONAL GUARD BUREAU
FROM THE HEARING OF JULY 12, 1990
(LIEUTENANT GENERAL ONO)

QUESTION 1.

Section 1046 of title 10 requires that, upon discharge or release from active duty, a servicemember shall receive individual counseling. This counseling is to include a discussion of the educational assistance benefits to which the member is entitled as a result of his military service. Based on what I was told by the young people I talked with in the field, a significant number of separating servicemembers are not receiving this counseling.

I would appreciate it if you would describe for me what implementation instructions were issued when this provision was signed into law in 1984. I would also like to know if any further communications have occurred to emphasize the importance of providing this information.

ANSWER

The Army Continuing Education System (ACES) is responsible for the individual counseling required by Section 1046 of Title 10 USC. Preparation counseling on educational entitlement is specifically required in AR 621-5, Army Continuing Education System. In addition, AR 600-8-101, In/Out Processing, requires both the personnel community as well as the individual soldier to include this counseling in outprocessing the Army. Particularly in light of the early release programs, the need for such counseling has been reinforced in several electronic messages directed at MACOMs and individual Education Centers.

Transition Centers actively screen soldiers' military records to verify that the DA Form 669, ACES Education Record, with counseling annotations is included. If not, the soldier is sent to the Education Center for the mandatory counseling.

The only form required to be given to the separating soldier is the DD Form 214. However, various supplemental pamphlets, available through the Army Publications Center and published by the Department of Veterans Affairs, are often provided as well.

QUESTION 2.

This question is primarily for Admiral Boorda. When we were in South Carolina recently, a young man told us he was discharged from the Navy because of seasickness. He further indicated he is, as a result, ineligible for MGIB benefits. I would have thought he would have been discharged for a pre-existing medical condition, and thus be eligible for benefits. I understand, though, seasickness doesn't qualify for this type of discharge. This situation seems to me to be unfair.

This is something we should fix, and I'd appreciate some guidance from you. Additionally, I'd like to know if there are any other similar conditions which result in a discharge but don't result in a type of discharge that conveys GI Bill eligibility.

ANSWER

The Army has had no cases of similar circumstances reported.

QUESTION 3.

I mentioned at the hearing the possibility of providing servicemembers a form at discharge which describes his or her eligibility for education benefits. I also suggested the DD214 could be amended to include information regarding MGIB eligibility. Finally, I suggested that enlistment contracts should include specific information regarding the new recruit's education benefit and detailed information regarding the loss of kickers.

I'd appreciate your comments on these suggestions.

ANSWER

The Army currently has approximately a 3% error rate in MGIB data transmitted to the DMDC. Army automation improvements such as implementation of SIDPERS 3 and the Joint Software System will significantly contribute to the accuracy of soldier MGIB qualification data collected from the field, transmitted to the DMDC and verified by the VA. The current automated verification system, via DMDC does work and the data base is getting better all the time. Amending the current DD Form 214 will only create an increase of "False Starts" of veterans benefits the VA will have to recoup. The Army does not support modification of the DD Form 214.

The Army enlistment contract and associated appendixes are currently under revision to more clearly state exactly what enlistment options the soldier is to receive. Currently, DA Form 3286-66 (an appendix to the enlistment contract) specifies ACF amounts based on length of enlistment and describes requirements to remain qualified to receive MGIB and ACF. An additional form at separation to accomplish the same purpose is not necessary.

Presently, enlistment contracts include the necessary information about the soldier's education related enlistment options to accurately advise the Service member of the benefits he or she may receive. However, counselors do not have access to the complete personnel file and they do not always know the type of discharge the soldier is to receive; therefore, the counselor cannot determine, with any degree of accuracy, what benefits the soldier is eligible to receive. Further, it is the responsibility of the VA to determine eligibility as the administrator of the Montgomery GI Bill.

QUESTION 4.

Some of you mentioned the complexity of the GI Bill, and I agree with you that this is a concern. We have thought about the possibility of going to "month-for-month" benefits for anyone who does not complete the first term of service but is still eligible for education benefits.

Under current law, individuals discharged for the convenience of the government who serve 20 months or 30 months, depending on their enlistment contract, are eligible for 36 months of education benefits. Individuals discharged for a pre-existing medical condition or an erroneous enlistment, however, receive benefits based on the number of months they served on active duty. Would you support an amendment which would provide benefits for all the special categories on a "month-for-month" basis and eliminate the 20 and 30-month restriction for convenience of the government discharges?

ANSWER

Education counselors do find the eligibility requirements for the MGIB difficult and confusing. In addition, counselors find it very difficult to give separating soldiers definitive answers when VA is actually the agency that determines final eligibility. Combining this fact with counselors' desires to provide the most accurate information to their soldiers, any amendment that reduces the complexity would be welcomed.

The Army supports elimination of the 20 and 30-month restriction and the adoption of a "month-for-month" award system for anyone who does not complete the first term of service, but receives a "fully honorable" discharge and is still eligible for education benefits.

QUESTION 5.

Some of you made good suggestions for legislative changes. Would any of you like to make any other recommendations that haven't already been mentioned, or would you like to comment on the suggestions already made?

ARMED

The Army supports amending the MGIB to permit in-service use of MGIB benefits after completion of the $1,200 base pay reduction and 13 months of active duty service. This will allow our soldiers another alternative for funding their in-service education. It will lower the barriers that might otherwise discourage our high-quality soldiers from starting their education. Providing easier access to their educational entitlements gives soldiers another reason to reenlist. Research indicates that young people enlist for education benefits and soldiers reenlist for educational opportunities. This amendment would increase the use of MGIB benefits.

FOLLOW-UP QUESTIONS FOR THE NATIONAL GUARD BUREAU
FROM THE HEARING OF JULY 12, 1990
(MAJOR GENERAL BURDICK)

1. At the forums, we were told NOBEs are not always issued at the time of eligibility. We also learned that some of those involved in program administration were unfamiliar with the expeditious correction process. What can you do to emphasize to your local units that they are expected to issue NOBEs promptly, and to ensure they are familiar with the procedures available to correct eligibility problems?

RESPONSE: We have emphasized to our State Education Services Officers the importance of issuing NOBEs in a timely manner. We will provide an additional emphasis in the next revision of our GI Bill Management Guide. We feel that our State level personnel are fully aware of the expeditious correction process. The Education Services Officers are responsible for establishing procedures and training in their State which cause unit personnel to be knowledgeable and proactive in management of the Montgomery GI Bill. We will continue to emphasize to the Education Services Officers the need to train unit level personnel.

2. What is the average length of time from the date of issue of a NOBE to entry of the data at DMDC? How long does it take to update DMDC from the date of eligibility? How many layers must this information go through before it finally reaches DMDC?

RESPONSE: From the servicemember's unit of assignment, the personnel record is forwarded to the State Headquarters level where the NOBE is issued and entered into the Standard Installation/Division Personnel Reporting System (SIDPERS) data base. The State SIDPERS data is forwarded to the National Guard Bureau SIDPERS office once a month. The data is processed and sent to the Defense Manpower Data Center (DMDC) once a month. The average length of time from issue of the NOBE to receipt at DMDC is 80 to 90 days depending upon the time of month the data is initially entered. The length of time from the actual date of eligibility until the receipt of the date at DMDC is longer depending upon the number of days which elapse between the individual's return from training and the unit forwarding the information to the State level. Except in rare cases, the total elapsed time is less than 120 days.

3. I am anxious to improve and streamline the benefit delivery system for the GI Bill, and I expect improved computerized personnel systems would greatly benefit the Chapter 106 program.

Rear Admiral Taylor noted in his statement that the Naval Reserve installed an automated personal computer based system in 1989 that has improved the administration of the program. I would appreciate it if the rest of you would describe your current computer-based systems and their adequacy. I also want to know what improvements in these systems are planned, if any, and when you expect them to be implemented. Perhaps we can help speed up this process.

RESPONSE: The Army National Guard system consists of data transfer by magnetic tape which is delivered through the mail. We are currently limited to monthly updates. This system has worked well but could obviously be improved with more frequent updates and electronic data transfer. We have begun a hardware conversion at the National Guard Bureau level which will be completed in November 1990. Once this conversion is completed, we plan to explore the possibility of daily electronic updates from the States to the national level. If we can accomplish this, we will explore more frequent updating to the Defense Manpower Data Center. -

4. Accurate and complete reporting of eligibility data is critical to the timely delivery of benefits to individuals going to school under the Chapter 106 program. In the past, it was clear that personnel responsible for processing and reporting this data were insufficiently trained.

What have you done to make improvements in this situation? Please describe in detail for the Subcommittee the training provided for those who do the MGIB processing.

Within your component, who has the responsibility for doing this processing and reporting? Is it given to unit clerks or trained personnel at a higher level?

RESPONSE: In the ARNG the administration of the Montgomery GI Bill begins at the unit level but is intensively managed at the State level. Unit administrators must report personnel data to the State level where the Education Services Officer is responsible for verifying eligibility, issuing the NOBE, and ensuring that the date of eligibility is entered in the SIDPERS system.

Training for the State level personnel consists of an annual workshop with national level managers and representatives from the Department of Veterans Affairs and DMDC. National Guard Bureau staff makes a limited number of assistance visits to States with new Education Services Officers or where particular problems arise. The unit administrator's course taught at the ARNG Professional Education Center contains a block of instruction which includes information on the Montgomery GI Bill. Recruiting and retention personnel are instructed in eligibility criteria and benefits.

5. In testimony given at the hearing, a representative of the education community commented on the importance of the DVA, DOD, schools, and state approving agencies working together. In some states, all of these groups have established close working relationships. I know that individual local units in some areas have made a point of developing close ties with nearby schools. This sort of relationship significantly improves communication and greatly simplifies problem-solving.

Have you made any effort to suggest and encourage this type of outreach and networking?

RESPONSE: The ARNG has been actively involved in networking with various agencies and institutions. In conjunction with the Defense Activity for Non-Traditional Education Support (DANTES), the ARNG has supported the 13 existing State Advisory Councils on Military Education (ACME) and has assisted in forming two new ones. For example, in Utah the ARNG and DANTES were instrumental in the formation of a new ACME which includes the State approving agency and many State colleges.

Additionally, the ARNG was the first Reserve Component to participate in Servicemembers Opportunity Colleges (SOC) which assists in communications between the services and colleges with a goal of providing more benefits and acceptance of military students. SOC membership has grown to include over 700 colleges.

All State Education Services Officers are encouraged to maintain close contact with their Regional Office of Veterans Affairs to facilitate communications and quickly solve problems which affect soldiers' benefits.

FOLLOW-UP QUESTIONS FOR THE NATIONAL GUARD BUREAU FROM THE HEARING OF JULY 12, 1990

(MAJOR GENERAL KILLEY)

QUESTION: At the forums, we were told NOBEs are not always issued at the time of eligibility. We also learned that some of those involved in program administration were unfamiliar with the expeditious correction process. What can you do to emphasize to your local units that they are expected to issue NOBEs promptly, and to ensure they are familiar with the procedure available to correct eligibility problems?

ANSWER: The Director of the Air National Guard (ANG) recently sent a letter to the Adjutants General of all states, requesting increased emphasis on the Montgomery GI Bill. This letter specifically addressed prompt issuance of the Notice of Basic Eligibility (NOBE), and stated that the NOBE must be issued to the member upon completion of Initial Active Duty for Training (for non-prior service) or upon enlistment/reenlistment (for prior service). An "MGIB Data Corrective Action Guide" has been developed and distributed to each Career and Education Manager (CEM). This guide identifies error conditions shown on a computer product, the probable cause for the error, and recommended corrective action. In addition, CEMs are briefed on procedures to correct eligibility problems during Personnel Assistance Team visits to the CEM offices, recruiting/retention conferences, and through telephone contact when specific problems are identified.

QUESTION: (1) What is the average length of time from the date of issue of a NOBE to entry of the data at DMDC? (2) How long does it take to update DMDC from the date of eligibility? (3) How many layers must this information go through before it finally reaches DMDC?

ANSWER: (1) It currently takes the Air National Guard an average of 127 days to update DMDC. (2) As stated above it takes the Air National Guard an average of 127 days to update DMDC. (3) Three levels are involved in getting information to DMDCs. For the ANG, the information is entered into the computer at base level to the host base. It then flows to the Air Force Manpower and Personnel Center (AFMPC), Randolph AFB, Texas where it's consolidated with Air Force Reserve data and then finally sent to DMDC on a monthly basis.

QUESTION: I am anxious to improve and streamline the benefit delivery system for the GI Bill, and I expect improved computerized personnel systems would greatly benefit the Chapter 106 program.

Rear Admiral Taylor noted in his statement that the Naval Research installed an automated personnel computer-based system in 1989 that has improved the administration of the program. (1) I would appreciate it if the rest of you would describe your current computer-based systems and their adequacy. (2) I also want to know what improvements in these systems are planned, if any, and when you expect them to be implemented. Perhaps we can help speed up this process.

ANSWER: (1) Currently the Air National Guard's MGIB reporting procedures require the following for each MGIB transaction:

- Input of data at local base level to the host base via the Base Level Military Personnel System (BLMPS)
- Transmittal of data from the host base (active duty) to AFMPC, Randolph AFB, Texas at the end of the day.
- Data is reported monthly (on or about the 20th of the month) to the Defense Manpower Data Center (DMDC), Monterey, California by way of the Reserve Component Common Personnel Data System (RCCPDS).
- DMDC transmits MGIB data to the Department of Veterans' Affairs (DVA) data center in Chicago, Illinois on a weekly basis.
- MGIB data is reportedly updated on the DVA data base within two days of receipt from DMDC.

Fewer than 2 percent of all Air National Guard personnel records contain questionable data which can impact on a member receiving MGIB benefits. A perceived larger degree of inaccurate data is due to delays in the processing of data between the local base and DVA data center. (2) A joint request has been submitted to the Deputy Assistant Secretary (Manpower and Personnel), Office of the Assistant Secretary of Defense (Reserve Affairs) seeking approval for weekly reporting of MGIB eligibility status changes for members of the Air Force Reserve and Air National Guard. Anticipated implementation of the weekly report procedure is October 1, 1990.

QUESTION: General Burdick mentioned in his statement that the Army Guard has an education services officer at each state headquarters whose responsibility it is to assist commanders and individuals if GI Bill eligibility problems arise.

I wonder if the rest of you have, or could, establish a similar system of a localized or regionalized source of assistance. I realize the National Guard is organized state-by-state, but couldn't the Reserve Components implement a similar system? I think it would help considerably if local units knew exactly who to contact when problems arise.

ANSWER: The ANG has a Career and Educational Manager at each base who is responsible for the MGIB program. In addition, we have a Recruiting and Retention Program Manager (RRPM) at each state who is responsible for handling MGIB inquiries. Also, we recently created a drill status Education Office on each base. This office is responsible for coordination with local schools and developing rapport as a regional source of assistance.

QUESTION: Accurate and complete reporting of eligibility data is critical to the timely delivery of benefits to individuals going to school under the Chapter 106 program. In the past, it was clear that personnel responsible for processing and reporting this data were insufficiently trained. (1) What have you done to make improvements in this situation? Please describe in detail for the Subcommittee the training provided for those who do the MGIB processing. (2) Within your component, who has the responsibility for doing this processing and reporting? Is it given to unit clerks or trained personnel at a higher level?

ANSWER: (1) In addition to the "MGIB Data Corrective Action Guide," we are developing a complete step-by-step instruction book for all CEMs to teach them how to input accurate data into the system. When this guide is complete, all CEMs will have an opportunity to attend training sessions at various conferences and workshops yearly, as well as have a copy for their personal training. (2) CEMs are responsible for processing and reporting data, and also for implementing the MGIB program at base level.

QUESTION: In testimony given at the hearing, a representative of the education community commented on the importance of the DVA, DOD, schools, and state approving agencies working together. In some states, all of these groups have established close working relationships. I know that individual local units in some areas have made a point of developing close ties with nearby schools. This sort of relationship significantly improves communication and greatly simplifies problem-solving. Have you made any effort to suggest and encourage this type of outreach and networking?

ANSWER: Our future plans include the State Recruiting Retention Program Manager to develop this networking and establish an outreach program.

FOLLOW-UP QUESTIONS FOR THE PERSONNEL CHIEFS
FROM THE HEARING OF JULY 12, 1990
(VICE ADMIRAL BOORDA)

Chairman Penny: Section 1046 of title 10 requires that, upon discharge or release from active duty, a servicemember shall receive individual counseling. This counseling is to include a discussion of the educational assistance benefits to which the member is entitled as a result of his military service. Based on what I was told by the young people I talked with in the field, a significant number of separating servicemembers are not receiving this counseling.

I would appreciate it if each of you would describe for me what implementation instructions were issued when this provision was signed into law in 1984. I would also like to know if any further communications have occurred to emphasize the importance of providing this information.

Admiral Boorda: Navy directives are very specific that pre-separation counseling is mandatory for all enlisted personnel and officers in the grade of Lieutenant Commander and below within 120 days of projected date of discharge. Our initial GI Bill instruction issued in 1985 reiterated the requirement for pre-separation counseling, and included a sample administrative remarks (page 13) entry which must be signed and witnessed certifying that the member has been counseled on his or her educational benefits and the advantages of affiliating with the reserves. This entry becomes a part of the member's permanent record.

To ensure compliance with this requirement we are adding this issue to the areas that are currently looked at during our periodic Quality of Life area visits conducted by the Navy Inspector General (IG).

Pre-separation counseling is conducted in the Navy by our Career Information Teams, one based in San Diego for the Pacific Fleet and one in Norfolk for the Atlantic Fleet. There are additional counselors available for the following areas: Great Lakes, Newport, Philadelphia, Charleston, Jacksonville, Pensacola, Long Beach, San Francisco, Hawaii and the Pacific Northwest.

The Career Information Teams notify local commands of upcoming monthly briefings that separating members may attend. Unit command career counselors are also required to attend these sessions. They then can use what they learn to conduct training within their unit. To ensure that the latest information is available to our Career Information Teams, the Navy's MGIB program manager is an active participant at their yearly workshops.

Chairman Penny: This question is primarily for Admiral Boorda. When we were in South Carolina recently, a young man told us he was discharged from the Navy because of seasickness. He further indicated he is, as a result, ineligible for MGIB benefits. I would have thought he would have been discharged for a pre-existing medical condition, and thus be eligible for benefits. I understand, though, seasickness doesn't qualify for this type of discharge. This situation seems to me to be unfair.

This is something we should fix, and I'd appreciate some guidance from you. Additionally, I'd like to know if there are any other similar conditions which result in a discharge but don't result in a type of discharge that conveys GI Bill eligibility.

Admiral Boorda: The determination of whether or not a medical condition can be diagnosed as pre-existing is made by competent medical authorities, and is a very difficult one. I agree that this is particularly unfair in the case of sailors discharged for seasickness/motion sickness. One other similar category that impacts sailors is early discharge for sleepwalking. A change that would provide prorated benefits for these two separation reasons would be the right thing to do for our sailors.

Chairman Penny: I mentioned at the hearing the possibility of providing servicemembers a form at discharge which describes his or her eligibility for education benefits. I also suggested the DD 214 could be amended to include information regarding MGIB eligibility. Finally, I suggested that enlistment contracts should include specific information regarding the new recruit's education benefit and detailed information regarding the loss of kickers.

I'd appreciate your comments on these suggestions.

Admiral Boorda: A form upon discharge from the Navy describing a member's eligibility for education benefits is an excellent idea, and one that I strongly support. Amending the DD 214 to include MGIB eligibility information is certainly an idea that has merit and should be explored. We stand ready to work with the Departments of Defense and Veterans Affairs to make this happen. If VA continues to require verification through the automated system, however, we must ensure that data is accurate prior to the member leaving active duty. We are currently working very hard to correct all missing or erroneous MGIB information prior to our member's separating.

You also suggested that specific information about the MGIB and loss of kickers should be included on enlistment contracts. We are already doing this. In addition to general information on the MGIB given to every

applicant, we require as part of the enlistment process that each individual sign a Navy-designed Statement of Understanding, witnessed by the recruiter and made a part of the residual recruiting record. Also, for those members qualifying for a kicker under the Navy College Fund, there is an annex to the enlistment contract. This form contains specific information concerning the ramifications if the member does not complete the required service, or does not receive an honorable discharge.

Chairman Penny: Some of you mentioned the complexity of the GI Bill, and I agree with you that this is a concern. We have thought about the possibility of going to "month-for-month" benefits for anyone who does not complete the first term of service but is still eligible for education benefits.

Under current law, individuals discharged for the convenience of the government who serve 20 months or 30 months, depending on their enlistment contract, are eligible for 36 months of education benefits. Individuals discharged for a pre-existing medical condition or an erroneous enlistment, however, receive benefits based on the number of months they served on active duty. Would you support an amendment which would provide benefits for all the special categories on a "month-for-month" basis and eliminate the 20 and 30-month restriction for convenience of the government discharges?

Admiral Boorda: From an administrative standpoint one month of benefit for each month of active duty served would certainly streamline the management of this program. There are already several reasons that qualify for prorated benefits (service-connected disability, pre-existing medical condition, hardship and a reduction in authorized strength), and we have suggested others as well (motion sickness, sleepwalking, to attend ROTC, or by reason of being a sole-surviving child). It certainly seems an equitable way to handle this program without adding further complexities.

I would like to point out, however, that providing pro-rated benefits for convenience of the government discharges should be effective upon enactment, and should not be made retroactive to 1 July 1985. This would constitute a breach of contract for those members expecting the full 36 months of benefits who are being discharged for the convenience of the government. A retroactive provision for all other reasons, however, would provide benefits to many deserving individuals who otherwise would have lost this opportunity.

Chairman Penny: Some of you made good suggestions for legislative changes. Would any of you like to make any other recommendations that haven't already been mentioned, or would you like to comment on the suggestions already made?

Admiral Boorda: Two years ago this committee was instrumental in passing legislation that discounts certain periods of active duty, such as erroneous or defective enlistments, thus allowing a member who reenters the military the opportunity to participate in the GI Bill. There are two other periods of active duty that should be excluded when considering eligibility to participate in the GI Bill: discharges for medical reasons, and Active Duty for Special Work (ADSW), or short term recall performed by reservists in support of the active force. Most sailors ordered to active duty under the ADSW program have prior service, and therefore qualify under a previous educational benefit program. The number of ADSW sailors for whom their short ADSW active duty is the qualifying period of active duty for GI Bill purposes was approximately 100 in fiscal year 1989. Correcting this inequity would enable these sailors to be eligible for the GI Bill if they later reenter the Navy on a full active duty contract.

This committee was also successful in adding pre-existing medical conditions and reduction in authorized strength as reasons for which prorated benefits could be paid. There are two other categories of people deserving of benefits: members leaving to attend ROTC and those leaving under the provisions of sole surviving child. These numbers are insignificant and the cost would be minimal to provide benefits for these individuals. For example, in the Navy over a two year period, there were a total of 882 members discharged to attend ROTC and only two members discharged for being a sole surviving child. This represents less than one percent of our total separations for that period.

As discussed earlier, discharges for sleepwalking or motion sickness are also good reasons to provide prorated benefits. I am concerned that as we add more exceptions to the rule, the program becomes even more complex, and difficult to administer. I wholeheartedly support the concept of "month-for-month" benefits for anyone who does not complete the first term of enlistment, but who would otherwise be eligible for GI Bill benefits.

(MAJOR GENERAL DILLINGHAM)

FOLLOW-UP QUESTIONS FOR THE PERSONNEL CHIEFS
FROM THE HEARING OF JULY 12, 1990

1. Section 1046 of title 10 requires that, upon discharge or release from active duty, a servicemember shall receive individual counseling. This counseling is to include a discussion of the educational assistance benefits to which the member is entitled as a result of his military service. Based on what I was told by the young people I talked with in the field, a significant number of separating servicemembers are not receiving this counseling.

I would appreciate it if you would describe for me what implementation instructions were issued when this provision was signed into law in 1984. I would also like to know if any further communications have occurred to emphasize the importance of providing this information.

ANSWER: Air Force policy requires that a briefing/counseling session be provided to all personnel being discharged or released from active duty in accordance with Air Force Regulation 35-17, paragraph 4-21b.

All airmen and officers who are being discharged from active duty will be counseled on the following:

> "b. The education benefits to which the member is entitled because of their military service. This counseling should be accomplished by a representative from the VA if suitable arrangements can be made. If not, the counseling will be accomplished by the Base Education Officer. Each individual will be provided a copy of AFP 211-35. Also, all members will be required to sign attachment 33, Pre-separation Counseling Acknowledgment Letter. Complete the letter in original and one copy. Ensure the original is placed in member's Unit Personnel Record Group, AF Form 10, and copy is given to the member."

Air Force policy has always been to provide pre-separation briefing/counseling on educational benefits to which the member is entitled.

All training sessions conducted for briefing personnel by either Headquarters USAF or the Major Commands, reiterate the importance of the pre-separation, pre-retirement briefing/counseling. This has been reemphasized each year since 1985.

Substitute pamphlets and acknowledgment letters are used when appropriate.

2. This question is primarily for Admiral Boorda. When we were in South Carolina recently, a young man told us he was discharged from the Navy because of seasickness. He further indicated he is, as a result, ineligible for MGIB benefits. I would have thought he would have been discharged for a pre-existing medical condition, and thus be eligible for benefits. I understand, though, seasickness doesn't qualify for this type of discharge. The situation seems to me to be unfair.

This is something we should fix, and I'd appreciate some guidance from you. Additionally, I'd like to know if there are any other similar conditions which result in a discharge but don't result in a type of discharge that conveys GI Bill eligibility.

ANSWER: The Air Force does not have a similar program. The Air Force would consider cross-training an individual under these circumstances.

3. I mentioned at the hearing the possibility of providing servicemembers a form at discharge which describes his or her eligibility for education benefits. I also suggested the DD214 could be amended to include information regarding MGIB eligibility. Finally, I suggested that enlistment contracts should include specific information regarding the new recruit's education benefit and detailed information regarding the loss of kickers.

I appreciate your comments on these suggestions.

ANSWER: The Air Force would certainly support the idea of a form at discharge if it was recognized by the Department of Veteran Affairs as the source document to initiate and expedite benefits. If necessary, the Air Force will work with DOD to modify the DD Form 214 to include Montgomery GI Bill eligibility.

Montgomery GI Bill information is already placed in the Air Force Enlistment Contract. DD Form 2366, Veterans Educational Assistance Act of 1984 (GI Bill), currently used during basic military training, outlines all the requirements of the Montgomery GI Bill. The form is a statement of understanding and is signed by the servicemember and filed in the permanent record.

4. Some of you mentioned the complexity of the GI Bill, and I agree with you that this a concern. We have thought about the possibility of going to "month-for-month" benefits for anyone who does not complete the first term of service but is still eligible for education benefits.

Under current law, individuals discharged for the convenience of the government who serve 20 months, depending on the enlistment contract, are eligible for 36 months of education benefits. Individuals discharged for a pre-existing medical condition or an erroneous enlistment, however, receive benefits based on the number of months they served on active duty. Would you support an amendment which would provide benefits for all the special categories on a "month-to-month" basis and eliminate the 20 and 30-month restriction for convenience of the government discharges?

ANSWER: The Air Force would support an amendment which would provide benefits for all special categories on a "month-to-month" basis and eliminate the 20/30 month restriction for "Convenience of Government" discharges.

5. Some of you made good suggestions for legislative changes. Would any of you like to make any other recommendations that haven't already been mentioned, or would you like to comment on the suggestions already made?

ANSWER: Recommend that the Montgomery GI Bill be a strong focus in Mr. Montgomery's Bill on Transition.

- That enrollment in the Montgomery GI Bill be offered to all enlistees anytime during their first term of service and cover personnel who entered active duty from 1 Jan 77 to the present.

- That all personnel who have chosen not to enroll be allowed the opportunity to enroll before their first enlistment is over.

FOLLOW-UP QUESTIONS FOR THE PERSONNEL CHIEFS
FROM THE HEARING OF JULY 12, 1990
(REAR ADMIRAL TAYLOR)

QUESTION: At the forums, we were told NOBEs are not always issued at the time of eligibility. We also learned that some of those involved in program administration were unfamiliar with the expeditious correction process. What can you do to emphasize to your local units that they are expected to issue NOBEs promptly, and to ensure they are familiar with the procedure available to correct eligibility problems?

ANSWER: There are several ways we emphasize to our local Naval Reserve units the importance of issuing NOBE's promptly and to ensure that they understand and use the expedited correction procedure:

- Our Naval Reserve headquarters Montgomery GI Bill (MGIB) instruction explains the expedited correction procedure and directs all units to determine eligibility of their personnel and enter the data immediately upon accession of members.
- Prompt NOBE issuance and expedited correction procedures are also addressed during MGIB training and assist visits. During FY-89, 154 man-days were used productively in training/visits and in FY-90 thus far, 270 man-days have been used.
- MGIB administrative procedures, including the importance of correct data entry, are emphasized to our Reserve Standard Training Administration and Readiness Support (RSTARS) system operators and managers during their formal training. Training also includes how to work monthly quality control lists that automatically identify previously entered data that may be inconsistent and need correction.

To further ensure that NOBE's are issued promptly, our RSTARS system will be modified to automatically generate an NOBE upon data entry when a member is declared eligible. Besides reducing the time to issue the form, this procedure will eliminate conflicting dates entered on manually prepared NOBE's.

QUESTION: What is the average length of time from the date of issue of a NOBE to entry of the data at DMDC? How long does it take to update DMDC from the date of eligibility? How many layers must this information go through before it finally reaches DMDC?

ANSWER: The average length of time that it takes from date of issue of a NOBE to entry of the data at DMDC is approximately 30-60 days.

From the date of eligibility to the update of DMDC data, the Department of Defense reports that the Naval Reserve is averaging 153 days for update as of 31 May 1990. This shows significant improvement from the 590 day average of 31 May 1989. However, these DOD figures include the time to process internal Navy permanent record corrections for members, some of whom were never reported eligible since the beginning of the MGIB in 1985. Thus, the DOD average does not mean we have members waiting over 150 days for eligibility. The presentation of the NOBE, which is issued at accession or upon completion of initial Annual Training (AT), provides immediate eligibility for 120 days when presented to the DVA. The expedited correction procedure provides another 120 days if eligibility is not reported to DMDC/DVA within the original 120 day window. Thus, 99 percent of all field data input that determines eligibility is completed within 120 days.

There are four layers the information must go through before it finally reaches DMDC. Briefly, these are:

- Reserve Standard Training Administration and Readiness Support (RSTARS) system data at the unit level (406 sites)
- Reserve Training Support System (RTSS) at Commander, Naval Reserve Force
- Inactive Manpower And Personnel Management Information System (IMAPMIS) at Naval Reserve Personnel Center
- Reserve Component Common Personnel Data System (RCCPDS), Navy data to Defense Manpower Data Center (DMDC)

QUESTION: I am anxious to improve and streamline the benefit delivery system for the GI Bill, and I expect improved computerized personnel systems would greatly benefit the Chapter 106 program.

ANSWER: It is true that an improved computerized personnel system would greatly benefit the administration of the Chapter 106 program. The Naval Reserve began this effort with the April 1989 installation of RSTARS, our microcomputer-based personnel system. Revised software, out in August 1990, will compute eligibility of members from accession data input.

QUESTION: General Burdick mentioned in his statement that the Army Guard has an education services officer at each state headquarters whose responsibility it is to assist commanders and individuals if GI Bill eligibility problems arise.

I wonder if the rest of you have, or could, establish a similar system of a localized or regionalized source of assistance. I realize the National Guard is organized state-by-state, but couldn't the Reserve components implement a similar system? I think it would help considerably if local units knew exactly whom to contact when problems arise.

ANSWER: In the Naval Reserve, each of the approximately 248 sites has a local MGIB Coordinator. This is an active Full Time Support (E6/E7 level) person who has responsibility to be the point of contact with members and help with problems. Also, there are 54 MGIB Coordinators at Echelon IV commands (readiness commands, ship squadron commands, various air commands, and inshore underwater warfare group commands) in case the unit coordinator needs help. We have issued numerous messages and published several articles in the Naval Reservist News informing our members where to go for help, including a toll free number to put the member in touch with our staff headquarters MGIB team.

QUESTION: Accurate and complete reporting of eligibility data is critical to the timely delivery of benefits to individuals going to school under Chapter 106 program. In the past, it was clear that personnel responsible for processing and reporting this data were insufficiently trained.

What have you done to make improvements in this situation? Please describe in detail for the Subcommittee the training provided for those who do the MGIB processing.

Within your component, who has the responsibility for doing this processing and reporting? Is it given to unit clerks or trained at a higher level?

ANSWER: The Naval Reserve has conducted over 200 man-days of training at field activities since October 1989. We've included MGIB training in our Reserve Personnel Administration course, Career Information course, and RSTARS programmers and managers training courses. All Naval Reserve sites are required to have an active Full Time Support MGIB Coordinator. This person's responsibility is to ensure that data is input promptly and correctly. Most of these coordinators are E6/E7 supervisory personnel.

The Naval Reserve also held a three day MGIB Workshop for 50 of the field coordinators in May 1990. There was a representative of the Department of Veteran Affairs at this workshop.

Although this training has been critical to the success of the Naval Reserve's progress so far, the biggest improvements will come with the installation of more sophisticated software edits to our RSTARS systems in August 1990. All of the critical data elements needed to properly report eligibility will be required for all accessions and losses. Once this software is installed, much of the data previously reported inaccurately because of poor training or understanding will be correctly reported since the system will make the necessary eligibility determinations.

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QUESTION: In testimony given at the hearing, a representative of the education community commented on the importance of the DVA, DOD, schools, and state approving agencies working together. In some states, all of these groups have established close working relationships. I know that individual local units in some areas have made a point of developing close ties with nearby schools. This sort of relationship significantly improves communication and greatly simplifies problem-solving.

Have you made any effort to suggest and encourage this type of outreach and networking?

ANSWER: We will implement the subcommittee's suggestion of encouraging contact with local officials by having all of our MGIB coordinators contact local school officials and DVA representatives. Our people will provide their phone numbers, as well as our toll free number, to the headquarters MGIB area so these officials will know who to contact if a problem arises.

(LIEUTENANT GENERAL SMITH)

FOLLOW-UP QUESTIONS FOR THE PERSONNEL CHIEFS
FROM THE HEARING OF JULY 12, 1990

1. Section 1046 of Title 10 requires that, upon discharge or release from active duty, a servicemember shall receive individual counseling. This counseling is to include a discussion of the educational assistance benefits to which the member is entitled as a result of his military service. Based on what I was told by the young people I talked with in the field, a significant number of separating servicemembers are not receiving this counseling.

I would appreciate it if each of you would describe for me what implementation instructions were issued when this provision was signed into law in 1984. I would also like to know if any further communications have occurred to emphasize the importance of providing this information.

Answer: Basic provisions of the MGIB were communicated by message bulletin to all Marine Corps activities in December of 1984.

Implementing instructions, including the requirement for preseparation counseling, were communicated in the same manner during June of 1985.

Subsequent revisions of our Separations Manual include specific counseling requirements for a variety of topics important to our separating Marines, to include the MGIB. These requirements are provided in checklist format.

Beginning about 6 months before separation, each Marine receives career counseling with the unit Career Planner. Educational benefits and the advantages of affiliating with the Selected Marine Corps Reserve are matters specifically addressed with each individual.

Our separation centers routinely make group presentations on VA benefits, including education and the advantages of affiliating with the Selected Reserve, to all Marines being separated from active duty. They also pass out information sheets, designed by the Department of Veterans Affairs, that indicate how and where an individual applies for educational benefits. Additionally, they are available to answer any individual questions that may arise.

2. This question is primarily for Admiral Boorda. When we were in South Carolina recently, a young man told us he was discharged from the Navy because of seasickness. He further indicated he is, as a result, ineligible for MGIB benefits. I would have thought he would have been discharged for a pre-existing medical condition, and thus be eligible for benefits. I understand, though, seasickness doesn't qualify for this type of discharge. This situation seems to me to be unfair.

This is something we should fix, and I'd appreciate some guidance from you. Additionally, I'd like to know if there are any other similar conditions which result in a discharge but don't result in a type of discharge that conveys GI Bill eligibility.

Answer: Yes, there are other conditions similar to what you just described. They include a variety of reasons for separating servicemembers at the convenience of the Government and include but are not limited to: parenthood, obesity, and conditions which are not a physical disability but which interfere with the performance of duty; e.g., motion/travel sickness, allergy, personality disorder, and sleepwalking.

The suggestion to simplify the law by deleting the 20 or 30 month service requirement associated with separations at the convenience of the Government and providing benefits on a 1 month benefit per month of service basis to these individuals should rectify the problem you described.

FOLLOW-UP QUESTIONS FOR THE PERSONNEL CHIEFS
FROM THE HEARING OF JULY 12, 1990

3. I mentioned at the hearing the possibility of providing servicemembers a form at discharge which describes his or her eligibility for education benefits. I also suggested the DD214 could be amended to include information regarding MGIB eligibility. Finally, I suggested that enlistment contracts should include specific information regarding the new recruit's education benefit and detailed information regarding the loss of kickers.

I'd appreciate your comments on these suggestions.

Answer: Two concerns come to mind:

First, it is beyond the Services' authority to determine a member's eligibility for educational benefits under the MGIB. That statutory authority is reserved for the Department of Veterans Affairs.

Second, given the various reasons and conditions for separation, their effect on benefit eligibility, and varying benefit amounts for the multitude of possible programs of education and training, any such form would be, if designed for general applicability and distribution, too complex to be of value and too long to fit in an enlistment contract.

If what is being requested is information which the Department of Veterans Affairs needs from the Services to determine eligibility, then yes, that information can be provided either on the DD Form 214 or a separate certificate. Inasmuch as the DD Form 214 already contains much of the required information, I would recommend providing the additional information in the remarks section of that form.

4. Some of you mentioned the complexity of the GI Bill, and I agree with you that this is a concern. We have thought about the possibility of going to "month-for-month" benefits for anyone who does not complete the first term of service but is still eligible for education benefits.

Under current law, individuals discharged for the convenience of the government who serve 20 months or 30 months, depending on their enlistment contract, are eligible for 36 months of education benefits. Individuals discharged for a pre-existing medical condition or an erroneous enlistment, however, receive benefits based on the number of months they served on active duty. Would you support an amendment which would provide benefits for all the special categories on a "month-for-month" basis and eliminate the 20 and 30 month restriction for convenience of the government discharges?

Answer: Yes, except where separation is being effected because of unsatisfactory conduct or performance.

Individuals, erroneously enlisted, are not entitled to benefits and are therefore handled differently. In these cases, any pay reductions made during an erroneous enlistment are refunded as no participation eligibility can be established in the absence of a bona fide obligation for service.

5. Some of you made good suggestions for legislative changes. Would any of you like to make any other recommendations that haven't already been mentioned, or would you like to comment on the suggestions already made?

FOLLOW-UP QUESTIONS FOR THE PERSONNEL CHIEFS
FROM THE HEARING OF JULY 12, 1990

Answer: Many of the recommendations appear to have merit. Some appear to be driven by recent events relating to force reductions. I have also noted other proposed changes, such as an amendment to allow transfer of benefits to dependents, that need to be examined more closely. Therefore, I recommend that the Department of Defense take the lead in examining the various recommendations proposed here and report back to this subcommittee.

(LIEUTENANT GENERAL SMITH)
FOLLOW-UP QUESTIONS FOR RESERVE CHIEFS
FROM THE HEARING OF JULY 12, 1990

1. At the forums, we were told NOBEs are not always issued at the time of eligibility. We also learned that some of those involved in program administration were unfamiliar with the expeditious correction process. What can you do to emphasize to your local units that they are expected to issue NOBEs promptly, and to ensure they are familiar with the procedure available to correct eligibility problems?

Answer: It is written policy that commanding officers/site commanders issue NOBEs at the time that a member establishes eligibility. This policy is well known. Problems have arisen in the past when commanding officers/site commanders were unaware of a member's attainment of eligibility. I believe we have solved this problem by building into our Reserve personnel data system automated recognition of MGIB eligibility and automated advisory messages to the member's commander. When a member satisfies all of the eligibility criteria, as reported by unit diary, the system issues an advisory message to the member's commander stating that eligibility and instructing the commander to issue a NOBE. Should a member no longer be entitled to benefits, due to unsatisfactory performance or other breach of obligation, system procedures likewise terminate the member's eligibility and update the record provided to DMDC. These procedures were put in force during April and effectively relieve the commander of the burden of, and error in tracking, a member's status.

Commanding officers are still responsible for the accurate and timely submission of all personnel related data. Well trained diary clerks, published manuals for diary entry, and systems checks of data inputs all provide for quality reporting. All commands are aware of the procedures for correcting erroneous data entries and requesting expeditious corrections of eligibility status.

2. What is the average length of time from the date of issue of a NOBE to entry of the data at DMDC? How long does it take to update DMDC from the date of eligibility? How many layers must this information go through before it finally reaches DMDC?

Answer: In the current system, a NOBE is issued within about 10 days from the day that eligibility is established by diary input. An automated system extract of MGIB eligibility data is provided directly to DMDC on a monthly basis.

DMDC reports (900531 statistics report) an average delay of 111 days between eligibility start date and the update of their data base. So, on the average, about 101 days elapse between the issue of a NOBE and DMDCs data entry.

3. I am anxious to improve and streamline the benefit delivery system for the GI Bill, and I expect improved computerized personnel systems would greatly benefit the chapter 106 program.

Rear Admiral Taylor noted in his statement that the Naval Reserve installed an automated personal computer-based system in 1989 that has improved the administration of the program. I would appreciate it if the rest of you would describe your current computer-based systems and their adequacy. I also want to know what improvements in these systems are planned, if any, and when you expect them to be implemented. Perhaps we can help speed up this process.

FOLLOW-UP QUESTIONS FOR RESERVE CHIEFS
FROM THE HEARING OF JULY 12, 1990

Answer: As I stated in my testimony, we have just implemented automated eligibility recognition and advisory message communication in April. While too soon yet to definitively state its adequacy, preliminary test results promise dramatic improvements in accuracy and timeliness at the front end (that is the Marine Corps end) of the data processing. DMDCs statistics of average delay between eligibility start date and DMDCs system update indicate that perhaps DMDC's procedures and cycle of update should be examined.

4. General Burdick mentions in his statement that the Army Guard has an education services officer at each state headquarters whose responsibility it is to assist commanders and individuals if GI Bill eligibility problems arise.

I wonder if the rest of you have, or could establish a similar system of a localized or regionalized source of assistance. I realize the National Guard is organized state-by-state, but couldn't the Reserve components implement a similar system? I think it would help considerably if local units knew exactly who to contact when problems arise.

Answer: Every Marine Reserve unit has an Education Officer who has these responsibilities.

Additionally, the MGIB Project Officer at the Marine Corps Finance Center provides customer service regarding data accuracy and procedure, and the Federally Legislated Educational Assistance Programs Officer at Headquarters Marine Corps provides customer service regarding policy and determinations involving policy. Both make expeditious corrections to eligibility status via computer with DMDC as the situation warrants.

5. Accurate and complete reporting of eligibility data is critical to the timely delivery of benefits to individuals going to school under the chapter 106 program. In the past, it was clear that personnel responsible for processing and reporting this data were insufficiently trained.

What have you done to make improvements in this situation? Please describe in detail for the subcommittee the training provided for those who do the MGIB processing.

Within your component, who has responsibility for doing this processing and reporting? Is it given to unit clerks or trained personnel at a higher level?

Answer: Information reporting and issuance of NOBEs are the responsibilities of the commanding officer/site commander. Data entry is performed by the unit diary clerk who is well trained in the personnel data system input procedures and has ready access to published procedural manuals describing the form and content of required entries. Verification of the diary against source documentation is required prior to submission, and is normally performed by the unit administrative officer as designated representative of the commander.

Automated system checks, executed against the diary, provide an additional measure of assurance.

Processing of data toward eligibility determination is system automated. The definition, coding, and test of the computer programs is accomplished by well trained programmers under the control of the Management Information Systems Branch of Headquarters Marine Corps and in coordination with the Federally Legislated Educational Assistance Programs Officer at Headquarters Marine Corps.

FOLLOW-UP QUESTIONS FOR RESERVE CHIEFS
FROM THE HEARING OF JULY 12, 1990

6. In testimony given at the hearing, a representative of the education community comments on the importance of the DVA, DoD, schools, and state approving agencies working together. In some states, all of these groups have established close working relationships. I know that individual local units in some areas have made a point of developing close ties with nearby schools. This sort of relationship significantly improves communication and greatly simplifies problem-solving.

Have you made any effort to suggest and encourage this type of outreach and networking?

Answer: Yes, we have. Education officers are responsible to maintain liaison with local offices of the Department of Veterans Affairs. Installation education officers, in addition to maintaining liaison with the Department of Veterans Affairs, interface with many of the local schools, particularly those providing instruction on base. Three regional education program coordinators: east coast, west coast, and far east provide programs coordination, guidance, and interface with the Department of Veterans Affairs, school systems, and military installations at higher levels. The Federally Legislated Educational Programs Officer at Headquarters Marine Corps maintains close liaison with the Department of Veterans Affairs regional and central offices and DoD on matters of policy and procedure. Efforts are underway to establish closer ties with the state approving agencies.

FOLLOW-UP QUESTIONS FOR RESERVE CHIEFS
FROM THE HEARING OF JULY 12, 1990
(MAJOR GENERAL WARD)

QUESTION 1: At the forums, we were told NOBEs are not always issued at the time of eligibility. We also learned that some of those involved in program administration were unfamiliar with the expeditious correction process. What can you do to emphasize to your local units that they are expected to issue NOBEs promptly, and to ensure they are familiar with the procedure available to correct eligibility problems?

ANSWER: In addition to systems improvements, we are taking steps to train responsible personnel at unit and major United States Army Reserve commands (MUSARCs) on program administration procedures, to ensure that the Reservists who experience problems turn to the unit for immediate assistance. Exped[illegible]us corrections are presently being made at the MUS[illegible]l via SIDPERS - USAR.

QUESTION 2: What is the average length of t[illegible] the date of issue of a NOBE to entry of the data at DM[illegible] long does it take to update DMDC from the date of eligi[illegible]dow many layers must this information go through before it finally reaches DMDC?

ANSWER: Based on figures reported from each continental United States Army command (CONUSA) during a 90-day reporting period (Jan through May 1990), the average time from Notice of Basic Eligibility (NOBE) issuance to Defense Manpower Data Center (DMDC) update was 270 days. However, 55% of these transactions were completed in less than 120 days. For the United States Army Reserve, there are four layers, the troop program unit, major United States Army Reserve command, CONUSA, Army Reserve Personnel Center, and the DMDC. From DMDC, data are transmitted to DVA.

QUESTION 3: I am anxious to improve and streamline the benefit delivery system for the GI Bill, and I expect improved computerized personnel systems would greatly benefit the Chapter 106 program.

Rear Admiral Taylor noted in his statement that the Naval Reserve installed an automated personal computer-based system in 1989 that has improved the administration of the program. I would appreciate it if the rest of you would describe your current computer-based systems and their adequacy. I also want to know what improvements in these systems are planned, if any, and when you expect them to be implemented. Perhaps we can help speed up this process.

ANSWER: The current system for updating Chapter 106 benefits is very slow and cumbersome. The administrator in the unit sends the appropriate paperwork to the major United States Army Reserve command/Army Reserve command (MUSARC/ARCOM) that in turn keys the data into the computer. The data are then transmitted to the continental United States Army command (CONUSA) where they undergo the first series of edits. From the CONUSA the data are transmitted to Army Reserve Personnel Center (ARPERCEN) in St. Louis, MO. The data are then subjected to more edits. The data are consolidated from all the units in the field and transmitted to Defense Manpower Data Center (DMDC) where again they undergo a final series of edits. At each location the data can be rejected for an error. If the data are rejected the process starts over again. The time frame to complete the transaction ranges from 30 to 180 days. It must also be remembered that the transactions are updated at DMDC on a monthly basis and should the transaction miss the cut off, we must add an additional 30 days to the time.

The United States Army Reserve and the Army National Guard are jointly involved in the development of the Reserve Component Automation System (RCAS). This system is designed to reduce the

administrative burden and to greatly enhance the speed that personnel records are updated. Unit technicians will be able to update personnel records and benefits directly to ARPERCEN. Edits will be performed at the unit level negating the need for edits at the CONUSAs and ARPERCEN. The data will update Total Army Personnel Data Base - Reserve (TAPDB-R) that in turn will update the files at DMDC. The RCAS is scheduled to start its initial fielding in late FY92 with complete fielding by FY96.

To provide temporary relief until the RCAS comes on line it will be necessary to change the language in the Defense Appropriation Act and supporting language prohibiting the purchase of micro- and mini-computers and networking within the reserve components. With the USAR currently planning the formation of its own command, it is imperative that the restrictions on networking and computer procurement be lifted or relaxed. ARPERCEN has software that would allow for a more expeditious updating of records and benefits that units could use if the restrictions were lifted.

QUESTION 4: General Burdick mentioned in his statement that the Army Guard has an education services officer at each state headquarters whose responsibility it is to assist commanders and individuals if GI Bill eligibility problems arise.

I wonder if the rest of you have, or could, establish a similar system of a localized or regionalized source of assistance. I realize the National Guard is organized state-by-state, but couldn't the Reserve components implement a similar system? I think it would help considerably if local units knew exactly whom to contact when problems arise.

ANSWER: The United States Army Reserve is in the process of hiring 44 education service officers (ESOs) in each continental United States Army (CONUSA) and major United States Army Reserve command (MUSARC). Thirty-eight are already in place. The Army Reserve Readiness Training Center at Fort McCoy, Wisconsin, has recently implemented a two-week course of instruction for these service officers. The first pilot course began on May 30, 1990. The purpose of this course is to instruct and train managers on all policies and procedures for the administration of the Montgomery GI Bill, Selected Reserve Incentive Program, and other educational programs to be applied at the local unit levels.

QUESTION 5: Accurate and complete reporting of eligibility data is critical to the timely delivery of benefits to individuals going to school under the Chapter 106 program. In the past, it was clear that personnel responsible for processing and reporting this data were insufficiently trained.

What have you done to make improvements in this situation? Please describe in detail for the Subcommittee the training provided for those who do the MGIB processing.

Within your component, who has the responsibility for doing this processing and reporting? Is it given to unit clerks or trained personnel at a higher level?

ANSWER: As I mentioned in the previous question we are presently training education service officers (ESOs) at the Army Reserve Readiness Training Center, Fort McCoy, Wisconsin, on all policies and procedures of Montgomery GI Bill (MGIB). These ESOs will determine a United States Army Reserve (USAR) soldier's eligibility, entitlement, restrictions, termination of benefits, and recoupment status. Each major United States Army Reserve command has a SIDPERS - USAR clerk responsible to code all new six-year obligors who are eligible for the MGIB. These individuals are also responsible for the processing of the Notice of Basic Eligibility form. The unit full-time support personnel (military or civilian) manually input information to the SIDPERS - USAR clerk at the major United States Army Reserve command level who in turn electronically transmits to the Army Reserve Personnel Center (ARPERCEN), St. Louis, Missouri, to update the automated personnel data file. This data is subsequently transmitted via tape to the Defense Manpower Data Center (DMDC).

QUESTION 6: In testimony given at the hearing, a representative of the education community commented on the

importance of the DVA, DoD, schools, and state approving agencies working together. In some states, all of these groups have established close working relationships. I know that individual local units in some areas have made a point of developing close ties with nearby schools. This sort of relationship significantly improves communication and greatly simplifies problem-solving.

Have you made any effort to suggest and encourage this type of outreach and networking?

ANSWER: At this time, the United States Army Reserve is fortunate to have education service officers (ESOs) working for the local units. The ESOs are solving many problems and definitely improving relationships with schools in their respective communities. The ESOs who are located in our major United States Army Reserve commands (MUSARCs) work closely with not only college admissions and records personnel, registrars, and bursars, but also with the individual college veterans representatives.

CONGRESSIONAL DATA REQUEST

House Veterans Affairs Committee

FOLLOW-UP QUESTIONS FROM THE HON. TIMOTHY J. PENNY
TO BRIGADIER GENERAL JOHN J. CLOSNER
DEPUTY TO CHIEF, AIR FORCE RESERVE
FROM THE HEARING OF JULY 12, 1990

Question: At the forums, we were told NOBEs are not always issued at the time of eligibility. We also learned that some of those involved in program administration were unfamiliar with the expeditious correction process. What can you do to emphasize to your local units that they are expected to issue NOBEs promptly, and to ensure they are familiar with the procedure available to correct eligibility problems?

General Closner: In the Air Force Reserve, we have a regulation that provides detailed guidance on eligibility requirements and enrollment procedures. Unit education service offices are instructed to issue the NOBE as soon as possible after the reservist reports for the first Unit Training Assembly (UTA).

Our field headquarters at Robins AFB GA (Headquarters Air Force Reserve, or AFRES) has hosted a MGIB manager's workshop, for all units, each year since 1985. Representatives from the DVA also attend these workshops. The workshops are very productive, and we consider them a key element to successful administration of the MGIB program.

Finally, HQ AFRES has designated MGIB program management as a special interest item for Inspector General evaluations, and for other visits to field units.

Question: What is the average length of time from the date of issue of a NOBE to entry of the data at DMDC? How long does it take to update DMDC from the date of eligibility? How many layers must this information go through before it finally reaches DMDC?

General Closner: The Air Force Reserve has a MGIB regulation that requires unit training offices to update the AF Reserve Personnel Data System within seven days after an individual becomes eligible for MGIB benefits. The data flows from the base-level PDS to the HQ USAF PDS file, which in turn, is transmitted monthly to the DMDC through the Reserve Components Common Personnel Data System (RCCPDS). Total time from base level update to appearance of the data on the DMDC file varies from 30 to 60 days.

Question: I am anxious to improve and streamline the benefit delivery system for the GI Bill, and I expect improved computerized personnel systems would greatly benefit the Chapter 106 program.

Rear Admiral Taylor noted in his statement that the Naval Reserve installed an automated personal computer-based system in 1989 that has improved the administration of the program. I would appreciate it if the rest of you would describe your current computer-based systems and their adequacy. I also want to know what improvements in these systems are planned, if any, and when you expect them to be implemented. Perhaps we can help speed up this process.

General Closner: MGIB data is an integral part of the Air Force Reserve Personnel Data System (PDS) database. Responsibility for issuance of the NOBE, establishing initial eligibility, and verifying continued eligibility is centralized in the unit training and education office. Although we are

generally satisfied with the accuracy and timeliness of this system, there is room for improvement. We have recently s[illegible]ted a major data quality initiative to reduce our error rates. We are also working with the Office of the Assistant Secretary of Defense for Reserve Affairs (OASD (RA)) to provide weekly, instead of monthly updates of the AF Reserve data to the DMDC, which in turn, should result in faster updates to the DVA database.

Question: General Burdick mentioned in his statement that the Army Guard has an education services officer at each state headquarters whose responsibility it is to assist commanders and individuals if GI Bill eligibility problems arise.

I wonder if the rest of you have, or could, establish a similar system of a localized or regionalized source of assistance. I realize the National Guard is organized state-by-state, but couldn't the Reserve components implement a similar system? I think it would help considerably if local units knew exactly whom to contact when problems arise.

General Closner: The AF Reserve administers the MGIB program through HQ AFRES for the unit program, and through Headquarters Air Reserve Personnel Center (HQ ARPC) for the individual mobilization augmentee (IMA) program. Field units coordinate directly with the program managers at HQ AFRES and HQ ARPC, and the program seems to be working very well. At this time we don't see a need for a regionalized system.

Question: Accurate and complete reporting of eligibility data is critical to the timely delivery of benefits to individuals going to school under the Chapter 106 program. In the past, it was clear that personnel responsible for processing and reporting this data were insufficiently trained.

What have you done to make improvements in this situation? Please describe in detail for the Subcommittee the training provided for those who do the MGIB processing.

Within your component, who has the responsibility for doing this processing and reporting? Is it given to unit clerks or trained personnel at a higher level?

General Closner: At each unit we have education specialists who have received specific On-the-Job Training (OJT) on MGIB eligibility and enrollment procedures, data entry, and NOBE processing. Depending on the unit organization, these individuals may be Air Force civilian employees, drilling reservists, or full time air reserve technicians. They work under the close supervision of the unit training technician. They are not permitted access to the data system until they are fully trained and certified.

Question: In testimony given at the hearing, a representative of the education community commented on the importance of the DVA, DOD, schools, and state approving agencies working together. In some states, all of these groups have established close working relationships. I know that individual local units in some areas have made a point of developing close ties with nearby schools. This sort of relationship significantly improves communication and greatly simplifies problem-solving.

Have you made any effort to suggest and encourage this type of outreach and networking?

General Closner: As I mentioned earlier, our unit MGIB managers attend workshops, where they get updates on new procedures and have the opportunity to meet DVA regional representatives. Our HQ USAF program manager participates in these workshops as well as the annual National Association of Veterans Program Administrators (NAVPA) conference.

Although the AF Reserve does not have a formal outreach program, our units do coordinate with local schools to solve eligibility and participation questions.

FOLLOW-UP QUESTIONS FOR THE EDUCATION PANEL
FROM THE HEARING OF JULY 12, 1990

Ms. Lynn Denzin, President
National Association of Veterans Program Administrators
c/o Metropolitan State College of Denver
1006 11th St. Box 16
Denver, CO 80204

1. Although the monthly certification has been effective in reducing overpayments, I'm concerned that this procedure is significantly delaying benefit delivery to eligible veterans. Would it be helpful to the veteran-student if the benefit check were sent directly to the school where he or she could collect it after enrollment was confirmed?

To answer the question as it is stated, it would no doubt assist the student to have the check available at the school. However, I don't believe that is the correct solution. I think there are several areas which need to be taken under consideration. The Department of Veterans Affairs has long wanted some type of monthly certification - whether it is self verification by the student, or an actual monthly certification by the school. With the MGIB they now have that, and it has become evident they are not entirely successful in the management of that process. I don't think shifting the responsibility to the schools is appropriate. There are many schools who do not even accept advance payment because they do not wish to distribute checks, and I think it would be an extremely unpopular solution to the problem of timeliness. It is my understanding that among possible solutions the DVA is considering is use of a touchtone telephone response system. As an employee at one of the first schools to have a completely automated touchtone telephone registration system, I can attest to the ease and efficiency of utilizing such systems. I strongly encourage further investigation of these types of systems as a solution.

2. Ms. Denzin, in your testimony you mentioned some problems that indicate to you an internal VA system problem. When you brought these issues, such as duplication of the self-verification forms and inconsistent beginning and ending dates and credit hour discrepancies, to the attention of the DVA, what response did you receive? Was an effort made to locate the source of the problem?

Problems of this type are referred to as "isolated cases" by the DVA. Among the answers I have received is that there was a "burp" in the system which caused a particular student to be eliminated from payment, not receive a self-verification form, etc. At least one of the regional processing centers has followed up to the DVA Central Office with specific problem cases - and was questioned that such things were actually happening. He then sent copies of sample cases to two or more personnel at the Central Office. In my last conversation with him, he had not received any responses as to what solutions might be underway. I have not directly contacted the Central Office with the specific problems I attached to my testimony, and do not know of any solutions they may be attempting.

3. Many of the young people we talked with during the forums said they hadn't received any kind of in-depth counseling when they were discharged from active duty regarding their MGIB benefits.

Are the Chapter 30 students at your schools familiar with the benefits to which they are entitled? Are they generally aware of the procedures to be followed in order to obtain benefits?

It is my sense that most of the MGIB eligibles know they do in fact have an educational benefit, but do not have any kind of specific information. They tend not to know what they should bring with them, but usually do make contact with the school and

are told what steps should be taken. The ones we are most concerned about, and which appear to be fairly substantial numbers, are those who do not even contact a school. We don't have a feel for what they know, what their misconceptions might be, etc. There are some recently discharged veterans who make their first contact one with the DVA regional offices. This often leads to confusion because they feel they have done what they need to in order to obtain benefits - and they won't receive anything until they go through the appropriate school office. The best advice the DVA could give to those veterans is to contact the school of their choice and to file all paper work through that school. Because many of the active duty military are not paying close attention when given the information prior to discharge, they often do not have specific knowledge of what is required of them.

4. At the forum in Ft. Worth, we met with a school official who had tried for several months to straighten out a problem with a Chapter 106 trainee. She had contacted the DVA several times and been told only that the student had an eligibility problem. When we reviewed the case, it was clear the veteran-student needed to contact his local unit.

I was disturbed because the school official was obviously unfamiliar with the processes and procedures affecting Chapter 106, and also because the DVA hadn't suggested that the Reservist contact his local unit.

Have either of you participated in any kind of joint training regarding the MGIB involving DVA, the military, and school officials? Are you aware of any such training which has occurred?

I fear that the situation which you have described is not unusual or unique. I would say the majority of states do not have any kind of joint training. In Colorado I feel we are very fortunate because we do have an annual training session which includes the DVA, the SAA, and various military components. There are a few states/regional offices who do have DVA training, but it is exceptional for that training to include entities other than the DVA. For most schools in the country, the only training which is available and which offers information from all of the agencies involved is the national conference of the National Association of Veterans Program Administrators - and literally thousands of veterans campus officials are not able to attend due to limited travel funds. This combined effort in training is a good idea, and I encourage your support in the pursuit of such.

Mr. Ronald H. Atwell
Vice President, NAVPA
University of Central Florida
Office of Veterans Affairs
P.O. Box 25000
Orlando, Fl. 32816

NATIONAL ASSOCIATION OF VETERANS PROGRAM ADMINISTRATORS

July 31, 1990

The Honorable G. V. (SONNY) Montgomery
U.S. House of Representatives
Committee on Veterans' Affairs
335 Cannon House Office Building
Washington DC, 20515

Dear Sir:

In reference to your letter of July 13, 1990, requesting answers to the additional questions submitted by the Honorable Timothy J. Penny, the attached responses are provided.

I would like to thank you and Mr. Penny for the opportunity to testify before the House Veterans Affairs Sub-Committee on Education, Training and Employment. I consider the work of this committee to be extremely important to the future of veterans education, and I can assure you that I will enthusiastically accept any future opportunity.

Let me close by saying that I strongly believe that with the guidance of the Legislature and the cooperative efforts of the Department of Veterans Affairs, the Department of Defense, and the Educational Institutions the few remaining problems with the MGIB can and will be resolve.

Sincerely,

Ronald H. Atwell
Director

Attachment

RHA/rha

ANSWERS TO FOLLOW-UP QUESTIONS
FOR THE EDUCATION PANEL
FROM THE HEARING OF JULY 12, 1990

1. Although the monthly certification has been effective in reducing overpayments, I'm concerned that this procedure is significantly delaying benefit delivery to eligible veterans. Would it be helpful to the veteran-student if the benefit check were sent directly to the school where he or she could collect it after enrollment was confirmed?

In response to this question I agree that the current system is time consuming, and prone to problems. I have heard that the DVA is looking at improvements, such as touch tone verification, but none that would be implemented in the immediate future.

I believe that a system, such as those used for Financial Aid, could be beneficial to the veteran in improving the speed of benefit delivery. The schools would be in a position to verify the veterans continued attendance on the first of the month and provide the check to the veteran. This would remove the mailing delays, and the problems associated with the confusing information on the verification form, while at the same time reducing overpayments to a minimum.

However, I am concerned that adding the schools to the payment delivery system could also compound the problem. There are the problems of accountability of the checks; the problems of physical security to protect against lost or stolen checks; and, the unlikely problems of fraud and institutional liability. There are also the policy and procedural questions of what happens when the veteran reduces his or her training time and the check is for the wrong amount, and who becomes responsible for insuring that the veteran is properly paid and who resolves pay problems. I am not sure that these could be satisfactorily resolved.

While the question "Do I support this proposal?" was not asked, I feel compelled to provide an answer. The University of Central Florida and it's Office of Veterans Affairs is committed to service to the veteran. This includes, among other things, improving the speed and accuracy of the delivery of benefits. Never-the-less, we operate with the same limited resources that affects all organizations. To develop and implement a system that would assure accountability and security would require resources that, unless provided by the DVA or Congress, would have to be taken from other programs. Given the inadequacies of the current Reporting Fee system, which was designed to reimburse schools for certifying enrollments, I could not indorse the implementation of this system. Additionally, as the Director I would be extremely concerned with taking responsibility for providing monthly education benefits to the veteran when I have little or no authority to get a check issued.

2. Ms. Denzin, in your testimony you mentioned some problems that indicate to you an internal VA system problem. When you brought these issues, such as duplication of the self-verification forms and inconsistent beginning and ending dates and credit hour discrepancies, to the attention of the DVA, what response did you receive? Was an effort made to locate the source of the problem?

Although addressed to Ms. Denzin, I would like to respond. Other than action taken to correct specific pay problems, there has been no information on immediate improvements to the current system. This may be a result of not having made this an official written complaint to either the Central or the Regional offices. However, when I point out these problems in verbal discussions, I have been told that they are isolated cases or system problems. For instance, in the case of inaccurate enrollment dates, I have been told that it is a system problem and nothing can be done.

3. Many of the young people we talked with during the forums said they hadn't received any kind of in-depth counseling when they were discharged from active duty regarding their MGIB benefits.

Are the Chapter 30 students at your schools familiar with the benefits to which they are entitled? Are they generally aware of the procedures to be followed in order to obtain benefits?

While I have no specific data to support my point of view, I believe that most Chapter 30 veterans are only vaguely aware of their benefit entitlements, and are uninformed about the DVA policies and procedures.

I can only speculate on whether the problem is because the veterans are not receiving in-depth counseling; or it's because the information is inaccurate, the veterans don't go, or don't listen to the presentations, or the information only provides a thumb nail sketch of the complex DVA rules. Based on my discussions with veterans I believe that it is a combination of all three.

I am not sure the lack of information on DVA policies and procedures is a serious problem for the veteran. For instants during our new veteran student orientation I explain the DVA Chapter 30 policies and procedures. In every case these raise numerous questions, and some veterans indicate they were not told of these rules. But in these cases, this lack of knowledge of their educational benefit program causes little or no problems.

What I do see as a serious matter are those cases where the veteran comes in to apply for benefits believing that they are eligible, only to be told by the DVA that they are not. When questioned they are adamant that they were told by the military that they were eligible. In some cases the DD Form 214 indicates that the servicemember was discharged to attend school.

Another of my concerns is that some veterans believe that they must attend full-time to receive benefits. Because of this veterans who have jobs and families may not look at pursuing education at less than full time.

Finally, it appears that some veterans are not aware of the ten year delimiting date. I have had veterans tell me that they understood that they had ten years to start drawing benefits, and that they then had 36 months of school as long as they remained in school.

4. At the forum in Ft. Worth, we met with a school official who had tried for several months to straighten out a problem with a Chapter 106 trainee. She had contacted the DVA several times and been told only that the student had an eligibility problem. When we reviewed the case, it was clear the veteran-student needed to contact his local unit.

I was disturbed because the school official was obviously unfamiliar with the processes and procedures affecting Chapter 106, and also because the DVA hadn't suggested that the Reservist contact his local unit.

Have either of you participated in any kind of joint training regarding the MGIB involving DVA, the military, and school officials? Are you aware of any such training which has occurred?

The Department of Veterans Affairs Regional Office in Florida has not had the Department of Defense participate in any of their annual training workshops. They do, however, explain the procedures to follow if the DMDC computer reflects inaccurate information for a Reservists or National Guard member. The only formal training and/or information that I have received from the Department of Defense (DOD) has been through the National Association of Veterans Program Administrators (NAVPA) Annual Conferences. I have also attended presentations by the Department of Defense at NAVPA Region IV conferences in Alabama, and a South Carolina conference hosted by the school certifying officials. NAVPA also provides it's members a listing of DOD contacts.